

The NATIONAL UNDERWRITER

Life Insurance Edition

March 5, 1955

you caught me in
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thousand-dollar
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"but
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any

it all comes back to me...
yes, I have all my money back
plus so much protection
for my family, too!

Here's an example of what a
B. M. A. Special Plan will do for you:
(based on age 35)

★
YOU Save \$5.00 per Week.

IF YOU LIVE
ALL MONEY REFUNDED
AT AGE 65 \$ 7,000.00

IF YOU DIE
MONEY for your family —
Before Age 65 \$ 9,444.00
After Age 65 \$10,341.00
(instead of refund)

IF YOU QUIT
In 10 years, for example:
A completed contract for \$ 2,889.00
Or, a cash or loan
value of \$ 1,891.00

All figures are guaranteed and
shown to nearest dollar.

Fill out and mail the handy coupon below and let us tell
you how this plan will work for you and your family.

BUSINESS MEN'S ASSURANCE
Company of America
Home Office: B.M.A. Bldg., Kansas City 41, Mo.
Offices in more than 70 principal cities

Business Men's Assurance Company
B. M. A. Building
Kansas City 41, Mo.
Please send me, without obligation, complete information about
the new B.M.A. Savings Endowment Plan, so you can give me
an idea of how the plan might apply to me:
I am _____ years old.
I can save \$5 per week ☐ \$10 ☐ per month.

Name _____
Address _____
City _____ State _____
Occupation _____

**KNOCKING ON
26 MILLION DOORS**

This is B.M.A.'s current full page, color advertisement in The Saturday Evening Post. Similar messages will appear, throughout the year in national magazines like Newsweek, Coronet, Better Homes and Gardens, U. S. News & World Report, telling the story of B.M.A. protection OVER and OVER and OVER!



FRIDAY, JUNE 24, 1955



**THE PHOENIX MUTUAL LIFE INSURANCE COMPANY
OF HARTFORD, CONNECTICUT**

**TOGETHER WITH ITS FIFTY-FIVE CHARTERED LIFE UNDERWRITERS
SALUTE THE**

American College of Chartered Life Underwriters

FOR ITS MAJOR CONTRIBUTIONS

**IN ESTABLISHING PUBLIC RECOGNITION OF THE PROFESSIONAL STANDING
OF AMERICA'S CAREER LIFE UNDERWRITERS**

GEORGE B. ANDREWS, CLU

New York Downtown

ELLISON F. BECKWITH, CLU

Boston

CARLTON E. BLAKE, CLU

Washington

B. SCOTT BLANTON, JR., CLU

Charlotte

EDWARD BRANCATI, CLU

New York Lincoln

CREELEY S. BUCHANAN, CLU

Manager, New Hampshire

RICHARD S. CARPENTER, CLU

Hartford

JOHN H. CLYNE, CLU

Manager, Albany

JACOB F. COLLAR, CLU

Manager, Tulsa

FREDRICK B. COOPER, JR., CLU

Chicago LaSalle

MICHAEL P. COYLE, CLU

New York Uptown

RODERICK M. CROCKET, JR., CLU

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ARTHUR H. DAUMAN, CLU

New York Lincoln

J. HOWARD DAVIES, CLU

Rochester

W. FOY DEAN, CLU

St. Louis

RICHARD L. EMERSON, CLU

Boston

CHARLES E. ERNEST, CLU

Brooklyn Borough Hall

D. ALLEN FISHER, CLU

Albany

H. NORMAN FITTER, CLU

Detroit

HENRY P. FOUST, CLU

Charlotte

FRANK L. GULINO, CLU

Buffalo

GORDON K. HARPER, CLU

Manager, Philadelphia

EDWIN C. HEGE, CLU

Washington

ELLWOOD N. HENNESSY, CLU

Worcester

FRED B. HICKS, CLU

Oklahoma

LOUIS C. HURD, CLU

Manager, Tennessee

MERLE F. HUNT, CLU

Interstate

GEORGE H. JENNINGS, CLU

Manager, Bridgeport

FRANK KELSEY, CLU

Louisville

ARTHUR L. MILLER, CLU

Pittsburgh

FRANCIS P. MULKY, CLU

Oklahoma

MARK C. MULLER, CLU

New York Uptown

CHARLES K. OAKS, CLU

Hartford

JAMES D. O'FLYNN, CLU

Rochester

LEONARD D. ORR, CLU

Manager, Grand Rapids

RALPH E. PARTRIDGE, CLU

New Haven

ROBERT K. SCHOTT, CLU

Manager, Chicago LaSalle

FRANK P. SHELDON, CLU

Hartford

SIMPSON E. SPENCER, CLU

Cincinnati

JACK A. STEWART, CLU

Cleveland

PAUL P. STEWART, CLU

Manager, San Diego

JOHN E. THORNTON, CLU

Chattanooga

ROBERT C. VAN VLECK, CLU

Oklahoma

ALBERT F. WHITE, CLU

Off. Mgr., Los Angeles

EDWARD C. WILKINS, CLU

Hartford

JOHN G. WINTSCH, CLU

Syracuse

R. EDWIN WOOD, CLU

San Francisco

ALBERT J. WOODWARD, CLU

Manager, Boston Kenmore

Home Office Staff

RICHARD N. BOULTON, CLU

WILLIAM A. HUNT, CLU

WILLIAM B. LAUDER, JR., CLU

ROBERT M. MacGREGOR, CLU

CLIFFORD L. MORSE, CLU

THOMAS S. MORSE, CLU

ALVIN H. POLLEY, JR., CLU

PHOENIX MUTUAL



**LIFE INSURANCE COMPANY
of Hartford, Connecticut**

2 of 3 in U. S. Have Health Insurance, HIC Survey Shows

Report Gives Data on All Types of Protection, Quality Is Best Ever

Nearly two out of every three men, women, and children in the United States now are protected by voluntary health insurance. Health Insurance Council made this announcement in releasing the findings of its ninth annual survey of health insurance in America, as of Dec. 31, 1954.

"This survey shows," said council chairman John H. Miller, "that many more Americans now have more and better health insurance than ever before. Measured in terms of benefits paid out by insuring organizations in 1954, striking progress was made during the year. And the survey figures indicate continuing progress at rapid rates for the foreseeable future."

Mr. Miller, who is vice-president and actuary of Monarch Life of Massachusetts, estimates that, by the end of this month, some 104 million persons will have voluntary health insurance against hospital expenses. About 89 million people will have surgical expense protection, and 50 million will have regular medical expense protection. These figures are based on conservative projections of the 1954 year-end data presented in the survey, Mr. Miller said.

The Health Insurance Council was host at press conferences at Chicago and New York where results of its statistical survey were announced.

Despite some slackening in the economy, more Americans had more and better voluntary health insurance at the end of the year than ever before. Measured in terms of benefits paid out by the insuring organizations, the progress in 1954 was striking.

Information released this week presents the preliminary findings of the annual survey. A final report, including state-by-state figures, will be issued in the fall.

For the purposes of the annual survey, five types of voluntary health insurance are distinguished. These are hospital, surgical, regular medical and major medical expense protection, and protection against loss of income. Additional types of protection, not within the scope of the term "voluntary health insurance," as used in the survey, but which are of substantial help to many Americans in meeting the costs of sickness and accident, are enumerated.

During 1954, the number of people in the U. S. with hospital expense protection increased by 4.3%, to a new high of 101,493,000 (adjusted for duplication). This growth rate was over 2 1/2 times as rapid as the rate of growth for the population as a whole (which was about 1.7%).

For surgical expense protection, the numbers covered grew at a rate of

(CONTINUED ON PAGE 30)

MOST LIMITS DOUBLED

Pru Now Writes Million For Its Own Retention

Prudential has doubled all limits on ordinary life policies for men and women 27 years of age and older, including standard and substandard ratings, bringing to \$1 million the limit for those in the 27-45 age bracket.

Prudential, which has made it a practice for many years not to reinsure any part of its cases, will continue to retain the entire risk on all policies. This makes it the only company carrying policies with \$1 million death benefits.

Applications for the new limits may be made at one time except by persons 51 and older. In these cases, only half their new limits will be issued within a period of two years.

The company said the new limits have been adopted in view of the changing economic conditions which have brought a demand for large policies to cover specific needs, such as key man insurance. The larger limits also are seen as reflecting improvement in mortality on the bigger cases. Limits were not increased below age 27 because of the military service hazard and other situations tending to unsettle the lives of young people.

Below is a table, illustrating the new doubled limits for the standard and two of the company's six substandard classes at various ages. Prudential's standard table goes to 125% of mortality. Table B goes from 151 to 180% of mortality, and table D from 231 to 300%. The illustrations from tables B and D are shown as examples of the new limits at a few selected

Attempt to Recoup Special DBL Funds in N. Y. Loses Out

NEW YORK—Reserves established by insurers against possible assessment for the special state fund to pay disability benefits to the sick unemployed don't belong to insured employers and can't be retrieved by them, according to a decision rendered by Justice McNally of the supreme court, New York county.

The action for declaratory judgment was brought by New York hotel trades council, the hotel association insurance fund and 34 other plaintiffs against 16 life and casualty insurers that issued statutory disability policies required under New York's disability benefits law.

The plaintiffs tried to establish that the reserves established by the insurers against the possibility of assessments to replenish the special state fund, as required under the law, are actually the property of the plaintiffs. The complaint also demanded an accounting as regards these reserves and asked a money judgment in favor of the plaintiffs to the extent indicated by the accounting.

The basis for dismissing the complaint was its allegation that the plaintiffs had been required by law to pay and had paid to the insurers, in addition

(CONTINUED ON PAGE 19)

ages. Limits shown in table D also apply to tables E and F.

Age	Standard	Age	Substandard Table B	Classes Table D
27 to 45	\$1,000,000	40	600,000	200,000
50	900,000	50	500,000	180,000
55	800,000			
60	600,000	60	300,000	130,000
65	350,000			
70	200,000	70	200,000	Not Issued

Late News Bulletins . . .

To Hold Open Hearing on Reed-Jenkins Bill

WASHINGTON—The ways and means committee is scheduled to hold open hearings next week on the Reed-Jenkins-Keogh proposal to self-employed and others setting up retirement plan tax advantages similar to those given those set up by employers and qualifying under revenue code provisions. It is understood that life insurance interests will take a position on the measure, either by personal appearance of witness or by filing memoranda.

Lincoln National to Mark 50th Anniversary

More than 700 Lincoln National Life agents, many accompanied by their families, will attend the company's 50th anniversary four-day sales meeting in Chicago and Fort Wayne next week.

Business sessions and banquets honoring sales leaders will be held at the Palmer House in Chicago where the representatives will be housed. Those attending the meeting will travel to Fort Wayne by chartered trains for a homecoming visit to the company's home office.

The meeting which climaxes the company's successful drive to attain \$7 billion of insurance in force will be attended by representatives from all parts of the country with some coming from Puerto Rico, the Canal Zone, and Hawaii. Attendance is expected to reach 1,800.

Ga. Raises Tax, Puts One on Credit Cover

The Georgia legislature enacted an increase from 2 to 2 1/2% in the premium tax on out of state insurers. It also enacted a law imposing a 3% tax on all fees, premiums and interest on loans made under the state's new small loan law, with the lending agent required to pay the levy.

Proposal Would Up Company Tax Rate 20% But Cut Base

Aggregate About Same But Annuities Would Get Break Similar to Uninsured Plans

WASHINGTON—The draft bill setting up a new basis for income taxation of life companies reportedly provides for a 7.8% tax on investment instead of the present 6.5%.

While this is a 20% increase in the rate, the draft provides for concession as to annuity reserves, one purpose being to remove the competitive disadvantage under which group annuities have suffered as compared with trustee pension plans. The result is that while some companies would pay more and some less than if the present basis were to continue, the aggregate tax on life and annuity business would be about the same under the proposed basis as it has been.

Another change would be that A&H business would be taxed differently from life business but it is understood that no decision has been reached on the basis for taxing A&H. One proposal is that A&H be taxed as it is when written by casualty companies; however, this would mean treating stock companies differently from mutual companies, and similarity of treatment for stock and mutual companies has long been a cardinal principle backed by both categories of companies.

Stock casualty companies are taxed at the corporate rate, 52%, on underwriting profit and on all investment income. Mutual casualty insurers pay the larger of (1) investment income at the corporate rate of (2) 1% of the sum of investment income and premium income. For most mutual A&H companies the latter basis is the one that applies. Reps. Mills and Curtis, ways and means committee members who have been working on life company taxation problems, reportedly plan to get action on a new bill at this session if at all possible. If the treasury opposes the draft measure, it will probably be ditched for this year and the present stop-gap plan re-enacted for another year. However, Treasury Secretary Humphrey is reported not to have been "too much" opposed to the Mills-Curtis measure when he and Rep. Mills discussed it at a recent conference.

Even if the proposed bill is not opposed by the treasury it is expected that it will be enacted only for an experimental period of two or three years. This would enable the treasury to see what effect the plan would have on the revenue yield from the life insurance business.

American Christian Changes Name

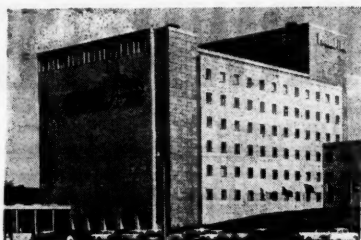
American Christian Life of North Dakota has changed its name to American Life & Casualty.

Prudential Dedicates New North Central Regional Office

MINNEAPOLIS—Two days of colorful ceremonies marked the formal opening of Prudential's new \$7 million north central regional headquarters here. The festivities will continue through July 9 and include open-house tours, banquets, receptions and entertainment.

Nearly 2,000 persons, including 500 civic and business leaders from seven midwest states, participated in the opening ceremony Tuesday. A color guard raised a huge United States flag on the company's flag pole and unfurled seven state flags presented to Prudential by governors of states included in the north central region.

Carrol M. Shanks, president, officiated at the dedication ceremony in the building's 900-seat auditorium. He presented an oak gavel to Orville E. Beal, vice-president in charge of north



Prudential's new \$7 million north central regional headquarters at Minneapolis. The building occupies two acres on a 30-acre, park-like site on the western outskirts of the city at Wayzata boulevard, France avenue and Glenwood parkway.

presented to Mr. Beal earlier this year by British Consul Percy North.

Sealed behind the rock was a time-capsule, containing microfilmed copies of leading newspapers, 20-year prophecies from 15 of the nation's top educators, scientists and business men, and other significant documents. The capsule will be opened in 1975, the company's 75th anniversary.

"By 1975 people will be working shorter hours to earn greatly increased average family income and routine jobs will be eased by so-called automation," was the prediction of Mr. Shanks. He predicted a greatly expanded economy and a continued growth in insurance.

Most of the other predictions centered around increased prosperity and technological advances through the use of atomic energy.

On Wednesday, official state trees of the seven north central states were planted in an arboretum on the east lawn of the building.

Minnesota's Governor Freeman and Mr. Shanks were the principal speakers at a Wednesday night banquet which climaxed the two-day opening ceremonies. John Cowles, president and publisher of the Minneapolis Star & Tribune, was toastmaster.

The new building is the largest modern office building in the Twin Cities area. It is located in a residential setting on the western outskirts

Whiting President, Hanna Chairman of United L. & A.

Douglas B. Whiting, vice-president and actuary, was elected president of United Life & Accident, succeeding John V. Hanna who becomes chairman. Clayton L. Jackson was named actuary.

Mr. Whiting joined United Life in 1930 as assistant to the actuary, was elected actuary in 1938, and has served as vice-president and actuary since 1954. He was elected to the board in 1953.

A graduate of the University of Michigan, Mr. Whiting obtained his bachelor's degree in 1929 and master's degree in 1930. Apart from 3½ years of naval service during world war II, he has been with the company continuously.

Mr. Hanna, president for 22 years, started with United in 1921, and has served as actuary and vice-president. During the period Mr. Hanna was president insurance in force increased from \$41 million to \$184 million, and the assets increased from \$8 million to \$33 million.

of the city and covers nearly two-acres of its 30-acre, park-like site.

More than 400 officers of Twin City civic and service clubs toured the building on Thursday.

Residents of homes near the building were invited to attend a "neighbor's night" open-house on Friday.

Some 1,450 persons staff the regional headquarters which is responsible for the \$4 billion of company insurance held by nearly three million residents of Minnesota, Iowa, Nebraska, Wisconsin, Michigan and North and South Dakota. The office also supervises \$400 million of company investments in those states.

Other regional offices have previously been opened by the company at Houston, Los Angeles, Jacksonville and Toronto. Another will be opened at Chicago next fall.

Credit Insurance Men Elect; Joint Committee Report Recognized

Consumer Credit Insurance Assn. at its annual meeting at Genoa City, Wis., closed to all except members for the purpose of determining policy, elected new officers and came up with a resolution relative to the recently publicized report of the joint legislative committee of American Life Convention and Life Insurance Assn. of America on consumer credit insurance which recognized "that this type of insurance has a useful place in the industry."

The resolution stated in part that CCIA reaffirmed the guiding principles it submitted to National Assn. of Insurance Commissioners, which in a large measure were adopted by that organization in June, 1954. It also agreed the underlying principles suggested by the report of the joint committee "that any commission, dividend, premium refund or other compensation to the lender or vendor for providing credit insurance should be reasonable and that such payments shall be in addition to any other payment for interest, or other items that may be subject to legal limitations" coincide with the thinking expressed by the association.

The resolution continued: "The officers, directors and staff of this association are hereby authorized and directed to cooperate with American Life Convention and Life Insurance Assn. of America staffs, and any other interested organizations, in implementing the foregoing principles and to furnish information and suggestions, based on the broad knowledge of companies experienced in this specialized field, to the end that any proposed legislation, regulation or other measure will be practical, effective and fair to the public, the industry and all concerned."

Allen J. Lefferdink, president, Colorado Credit Life, was named president to succeed Arthur J. Cade, executive vice-president, Old Republic Credit Life, who became chairman, succeeding T. Leslie Kizer, president Central States H&A Assn. Other officers are: Vice-presidents, Dwight W. Hollenbeck, president Credit Life, and Theodore S. Sanborn, president North Central Life; secretary-treasurer, John D. Mace, vice-president Central States H&A Assn. William J. Walsh was re-elected general counsel.

Error in Editorial

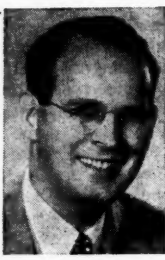
Omission of the word "possibly" from the final sentence of the editorial on the variable annuity in last week's issue gave an incorrect impression of the writer's view on the variable annuity as an inflation hedge. The sentence should have read: "Possibly there are better ways of doing this (hedging against inflation) than the use of the variable annuity, but the harmful effects of inflation cannot be offset by attempting to ignore them."

1954 Totals for Sun Life of Canada

California new business and in force totals for 1954, which appeared in the June 10 issue, erroneously accredited business written by Sun Life of Canada to Sun Life of Maryland. The figures as shown are correct for Sun Life of Canada. The Maryland company is not licensed in California.



C. M. Shanks



O. E. Beal

central operations. The gavel was fashioned from wood used in the company's first home office building in Newark, dedicated in 1892.

The ceremony marked the sixth major step that Prudential has taken in eight years to move its activities closer to its 31 million policyholders.

Following the dedication, a stone replica of the Rock of Gibraltar, the company's trademark, was installed in a niche of the lobby. The rock replica was cut from a 372-pound chip from the original Rock of Gibraltar and was

REPORT OF

Continuing Progress

ASSETS \$189,916,371.30

1954 GAIN IN ASSETS \$7,907,679.51

10-YEAR GAIN IN ASSETS \$58,913,994.01

Insurance in Force \$562,916,923

Benefits Paid \$800,000,000

Proud of Our Past . . .

Prouder Still of Our Present . . .

*Facing the Future Confidently
In Our 73rd Year*

**FROM MODERN WOODMEN
OF AMERICA**

ASSET DISTRIBUTION

74.1% Bonds & Stocks

17.8% Mortgages

8.1% Other Assets

**1955 DIVIDEND SCHEDULE INCREASED
\$1,000,000 OVER 1954**

Increased earnings and the opportunity to "get ahead" are built into the future of the Modern Woodmen agent. If you want a career with a future—one that will give you opportunity to use your talents to the fullest—there's a place for you at Modern Woodmen.



MODERN WOODMEN OF AMERICA

Est. 1883

ROCK ISLAND, ILLINOIS

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Milliman to Leave N.Y. Life, Resume Work as Consultant

Wendell Milliman, vice-president of New York Life, who organized its group department in 1951 and directed its initial operations, is returning to his private practice as a consulting actuary on Aug. 1, but will continue to serve the company on a consulting basis.

Arthur M. Browning, 2nd vice-president in the group department, will be vice-president in charge of group. Executive Vice-president Dudley Dowell will continue his over-all responsibilities in the group operations.

Chairman Devereux C. Josephs said that when New York Life decided to enter the group business in 1951 "we were fortunate in persuading Mr. Milliman to leave his own business and



Wendell Milliman



Arthur M. Browning

devote his full time to the task of organizing our new group department, developing its program and guiding its initial activities. In the four years since the first Nylc group policy was sold, the objective of getting New York Life well started in the group field has been successfully accomplished."

Beginning from scratch in May, 1951, the company now has 2,349 policies in force, insuring more than half a million individuals and providing group insurance for which annual premiums are being paid at the rate of over \$37 million. The amount of group life in force with New York Life passed the billion dollar mark last month.

Mr. Browning went to New York Life in 1950 from Equitable Society, where he was manager of group casualty coverages. He received his law degree from Harvard in 1933. He has served as a member of the joint premium tax committee of Life Insurance Assn. of America and American Life Convention, and has been an active committee member in the group insurance work of LIA, Bureau of A&H Underwriters and Health Insurance Council.

After 18 years with Equitable Society, where he was 2nd vice-president and associate actuary, Mr. Milliman established his own business as a consulting actuary, with headquarters in Seattle. In that capacity he served a number of insurance companies as well as industrial, labor and governmental organizations. He will return to Seattle but plans to establish operations on a somewhat broader scale, with offices in other cities.

Mich. Actuaries Elect

Michigan Actuarial Society has elected John J. Schonenberg Jr., actuary of Michigan Blue Cross-Blue Shield, president to succeed Ralph E. Olson, Federal Life & Casualty.

Others elected were: Ernest R. Porter, actuary of Detroit Mutual, vice-president; Samuel Winn, vice-president of Warner-Watson, Inc., secretary; and Fred W. Hamm, actuarial assistant of City of Detroit Pension Bureau, treasurer.

List Speakers for GAMC Meeting at St. Louis Aug. 23

Five prominent speakers will appear on the General Agents and Managers Conference program to be held Aug. 23 during the National Assn. of Life Underwriters annual meeting at St. Louis.

The speakers are John A. Lloyd, executive vice-president Union Central Life; Robert W. Osler, vice-president of the Rough Notes Co. and editor of the *Insurance Salesman*; Kenneth R. Strang, district manager John Hancock, Detroit; Bethel W. Walker, manager New York Life, San Francisco, and Horace R. Smith, superintendent of agencies Connecticut Mutual Life.

Mr. Lloyd will start the session off with an address at the GAMC luncheon in the Jefferson hotel.

Messrs. Osler, Strang, and Walker will address the afternoon session at the Jefferson hotel. Mr. Osler will discuss, "An Outside Look Inside Agency Management." Mr. Strang will talk on "The Human Factor." Mr. Walker on "Operation Agency."

Mr. Smith will put on an unusual two-hour performance at the evening session. It will be a step-by-step illustration of the training given a Connecticut Mutual agent during his first year. Actual cases and results will be presented to illustrate each step. The program is called "Day by Day For a Year With a New Agent—From Apprenticeship to Career Capacity."

Program chairman is Henry W. Persons, Mutual of New York, Chicago.

Says Business Should Develop Low-Cost Life-Retirement-Disability Coverage

The insurance business must not only make available more and better protection at lower cost but should assume the responsibility for a comprehensive program of privately insured social security for the constantly lengthening retirement period policyholders will be enjoying, said Executive Vice-President Leo Perlman at the first annual convention of Union Casualty & Life held at Alexandria Bay, N. Y.

Mr. Perlman called for an all-in-one program of protection that would include annuities, disability insurance and death benefits at a cost within the reach of everyone. He warned that unless the consumer gets greater value for his insurance dollar he will demand that government enter the picture even more than it already has.

Mr. Perlman said maximum protection at minimum cost to the consumer is the best guarantee of a profitable private insurance business in the years to come. He said that although streamlined industrial efficiency has given the American people the highest standard of living in the world with less and less labor, the insurance business has not molded its operations with similar efficiency and foresight.

A 10-year endowment at age 80 plan was introduced by Actuary A. Maxwell Kunis, who stressed the competitive value of the plan and pointed out that it has an increasing term insurance rider that can be used to meet certain needs in a way no other plan has been able to duplicate. The first year cash value is about 65% of the premium and at the end of the 10th

year the cash value is almost equal to all premiums paid. The cash value of the term rider at the end of the first year is about 85% of the premium.

Emanuel Winston, general agent in Westchester county, N. Y., said that the plan, if used properly, can eliminate competition in the insurance field and with other forms of investment.

N. Matthew Gottesman, New York City lawyer and tax consultant, talked on the sales opportunities due to the 1954 revenue code.

Roy A. Foan, vice-president and director of agencies, spoke on the importance of enthusiasm as a factor in the company's progress and in the success of its agents.

Other speakers were John Conover, A&H division manager, who emphasized the need for coordinating A&H with life insurance in selling; Dick Ellsworth, assistant director of agencies, who spoke on the company's sales aids; Matt Jaffe, New York City agent, who discussed brokerage business; Allen M. Dorfman, Chicago agency head, who stressed personal service to the client on a comprehensive basis; and Louis Wingarten, Brooklyn, dean of the company's general agents, who was ill and sent his greetings to the farewell banquet on a tape recording.

Connecticut Agents Elect Trolin President

Connecticut Assn. of Life Underwriters has elected C. Theodore Trolin, Connecticut Mutual Life, New Haven, president; Gordon L. Prior, Manufacturers Life, Hartford, Frederick E. Dinehart, Metropolitan Life, Meriden, and George J. Scott, Connecticut General Life, Waterbury, vice-presidents; A. Carl Valentine, New York Life, Bridgeport, secretary, and Howard V. Krick, Penn Mutual Life, New Haven, national committeeman. Philip I. Holway, Connecticut General Life, Hartford, is immediate past president.

Bias Named to W. Va. Departmental Post

Harry C. Bias Jr. of Charleston has been appointed administrative assistant to Commissioner Gillooly of West Virginia. He will assist the deputy commissioner for fire and casualty insurance and handle claims and complaints. He was graduated this year from West Virginia University.

Wyo. Issues Admission Rule

The Wyoming department has issued a regulation requiring a company to be in business and actually issuing contracts for two years before it will be considered for admission. New companies must also convince the commissioner that their operations will serve the best interest of the citizens of the state.

New Hand-Book Out for West Virginia

A new, up-to-date *Underwriter's Hand-Book of West Virginia* has been published by The National Underwriter Co.

It provides complete information on agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new hand-book may be obtained from The National Underwriter Co., 420 East 4th street, Cincinnati 2. Price—\$12.00 each.

500 TIMES A DAY!

More than 500 times a day . . . more than 20 times an hour—that's how often, on the average, a Commonwealth Life policy was bought during 1954—including Saturdays, Sundays and holidays!

We congratulate all Commonwealth Fieldmen for this splendid production rate. We congratulate them, too, for their tremendous contributions to our growth—a growth which has seen Commonwealth's volume of insurance-in-force double in the past six years.

INSURANCE IN FORCE, June 1, 1955—\$833,853,694



COMMONWEALTH
Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.

DAVIDSON RETIRES

Krueger Sole Head of N. W. Mutual New York Agency

Northwestern Mutual Life has appointed Harry Krueger sole general agent to succeed the New York City firm of Krueger & Davidson, effective July 1. Mr. Davidson is resigning from general agency work.

Mr. Krueger started in life insurance at Northwestern Mutual's home office. In 1932 he went to New York City to engage in selling and supervisory activities, and 12 years later was appointed a partner general agent as a member of the firm of Krueger & Davidson.

Currently a vice-president of American Society of CLU and an associate editor of that organization's publication, Mr. Krueger is a past president of both New York City Life Managers



Harry Krueger

Assn. and New York City CLU chapter. He is recognized as an authority on life underwriting and allied subjects, and has appeared before many life insurance meetings. He is a co-editor of the recent authoritative book, "The Life Insurance Policy Contract," and has contributed articles to many insurance publications.

Walter S. Davidson, the resigning partner, has been with Northwestern Mutual since 1922, the past 11 years as co-general agent. Mr. Davidson will continue with the company as a district agent of the J. Robert Guy general agency of New York City. His office will be located in Hicksville, on Long Island.

Firnstein to Brokerage Post

Donald L. Firnstein has been appointed brokerage supervisor of the Strobeck agency of Manhattan Life at Syracuse, N. Y. He has been with Connecticut General Life in Syracuse for two years.

Manufacturers Life Wins Award

Manufacturers Life of Canada has received an honorable mention in the national offset lithographic awards competition, sponsored by Lithographers National Assn., for excellence in the production of a direct mail campaign to insurance brokers. The Manufacturers Life brokerage advertising account is handled by R. W. Webster advertising agency.

N. E. Mutual Slates New Group A&H Line

New England Mutual Life will introduce July 1 a full line of group A&H coverages, consisting of employee hospital, surgical, medical, additional accident, polio, major medical and weekly indemnity A&S. Coverage for dependents is available on all A&H policies except the weekly indemnity A&S.

The new policies complete the company's group coverages, which include term life, creditor life, level premium life, life with paid-up values, and regular, deposit administration, and pension administration group annuities.

A briefing of all district group managers and representatives on the A&H coverages occupied the major portion of the group department's annual meeting of field men, held for six days at Cape Cod, Mass. Sessions consisted of talks and clinics conducted by supervisory members of the home office group department.

Speakers included President O. Kelley Anderson, Vice-President John Hill, who is in charge of group, Carl A. Whitman, director of group sales, Wheeler H. King, general agent at New York City, and P. J. Potter, vice-president of Second Bank-State Street Trust Co. of Boston.

BMA Reinsurance Service Liberalized, Rates Reduced

Business Men's Assurance has reduced gross reinsurance rates and adopted two reinsurance rate schedules. Its dividend formula also has been liberalized.

The company's yearly renewable term reinsurance now will be available on two bases—participating and nonparticipating. Previously only a participating rate was available. The new participating rates are on the average 15% lower, and non-participating about 25% lower.

A new dividend formula will provide most companies with a substantial dividend for mortality savings as well as a special bonus refund for very favorable reinsurance mortality.

House Group Ponders Cut in Female SS Age Eligibility from 65

WASHINGTON—The house ways and means committee held three days of executive sessions this week to consider revisions of social security laws relating to OASI.

Chairman Cooper, Democrat of Tennessee, planned to submit proposals which would provide disability insurance benefits to persons working in covered occupations, lower from 65 to 62 the age at which women beneficiaries may qualify for benefits, and provide for payment of benefits to disabled children age 18 and over. He said he expected a bill containing these and other committee proposals will be reported soon to the house. He felt the administration and Department of Health, Education & Welfare will support his proposals.

Meanwhile, Rep. Boland, Democrat of Massachusetts, introduced a bill to reduce women's retirement age from 65 to 60, eliminate remarriage as a bar to widows' and parents' benefits, and provide that widows with minor children in certain cases may become entitled to widows' benefits before reaching retirement age.

Rep. Roberts, Democrat of Alabama, introduced a bill to provide that widows "who have had minor children" may become entitled in certain cases to OASI benefits before retirement age.

Rep. Johnson, Democrat of Wisconsin, introduced a bill to extend OASI coverage to self-employed physicians dentists and veterinarians.

Comstock New President

The new president of Indianapolis CLU chapter is James R. Comstock, American United Life. He replaces Ivan V. Snyder, Indianapolis Life.

Named vice-presidents were James E. Bettis, Berkshire Life; Walter L. Osmer, Equitable Society; Robert L. Boyd, Equitable of Iowa. H. E. Rust, Insurance R. & R., was reelected secretary.



TOP COVERAGE

PAN-AMERICAN'S CAREER CONTRACT

which stresses the Company's philosophy of helping their men make more money. To do this, we furnish ample training, top-notch sales aids and individualized policies to meet individual needs.

PAN AMERICAN
LIFE INSURANCE CO.



NEW ORLEANS, U.S.A.

CRAWFORD H. ELLIS
President

EDWARD G. SIMMONS
Executive Vice-President

KENNETH D. HAMER
Vice-President & Agency Director

THE OHIO NATIONAL LIFE INSURANCE COMPANY
CINCINNATI

W. I. YAEGER, GENERAL AGENT
1732 CAREW TOWER
CINCINNATI, OHIO



Dear Al:

Although the expression "one big happy family" is often a meaningless phrase, I have observed from personal experience that the description fits the Ohio National very well. There is a warm and friendly feeling that characterizes the Company from the President to the newest employee.

It's a great experience to walk into the home office and be greeted by top officials as if you were the one person they had hoped to see. This friendly attitude, and the spirit of helpfulness that goes with it, is a never-failing source of strength and confidence to the man in the field in his daily contacts with the public.

Sincerely,

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A&H Agents Table Request to FTC to Study Blue Cross Ads

Proposal of a resolution regarding Federal Trade Commission investigation of Blue Cross advertising, submitted at the San Antonio convention of the International Assn. of A. & H. Underwriters, drew lively discussion pro and con, which, with the raising points of order that became involved, was gradually approaching an eruption of verbal fireworks, when the entire matter was tabled by a motion from the floor.

The proposal, submitted by the New Mexico association, was presented to the council meeting in the regular order of business by Clifford E. McDonald of International Fidelity as chairman of the resolutions committee. The proposal was to the effect that the FTC be requested to investigate advertisements of Blue Cross as to whether or not the advertised claims are justified under the Blue Cross contracts. Blue Shield was not mentioned.

Approval and opposition were voiced prior to action on the proposal. It was then moved that the resolution be amended to the effect that such investigation be made if or when jurisdiction of the FTC is established.

Motion on the amendment was immediately seconded and then points of order arose as a result of some of the ensuing discussion which did not deal specifically with the amendment itself. After some more discussion was heard, a motion was made from the floor that the matter be tabled. It was seconded and then approved by a strong but not unanimous vote.

About a dozen persons were heard in the discussion, some more than once. Some said the resolution was not good ethical procedure. Others suggested the matter should first be carefully studied or that a special committee be appointed to consider it. When the question was raised as to whether or not Blue Cross is interstate commerce, it was answered that the operation is handled by a national commission that advertises interstate and that some plans are interstate. "Don't let your emotions lead your heads," was one warning. One suggestion was that the matter might be one which should be referred to state insurance departments instead of to FTC. It was brought out that some state associations have been planning to take up the problem on the state level.

Prudential Makes Agency Changes in New York

Prudential has appointed William R. Israel head of its New York City agency which was formerly managed by James E. McEvoy Jr. Mr. McEvoy is assuming charge of the newly opened agency at White Plains, N. Y.

Mr. Israel joined the company in 1938, became assistant manager at Philadelphia in 1949, and headed the Atlantic City branch until 1952 when he became an associate manager.

Mr. Israel is a past president of Atlantic county Life Underwriters Assn.

To Pilot Medical Post

Pilot Life has appointed Dr. H. Frank Starr Jr. assistant medical director. He formerly was a general practitioner in Greensboro. His father is vice-president and medical director of Jefferson Standard Life.

Accepts Lay Testimony on Insured's Health

The testimony of lay witnesses was held sufficient to support the burden of proving that the nature of insured's illness within the two year period before a policy became incontestable was not of a serious nature as the term is used in the incontestability provision of the policy by Ohio court of appeals in Fiorilli vs Sun Life (CCH 2, life 2nd).

Insured, John H. Fiorilli, was treated for a broken foot and was on a partial diet for ulcers, but continued to work as a carpenter, appeared

physically well, and moved about normally, the lay witnesses testified. Therefore, the court held, the policy was not voidable.

Genzlinger, Busch, to Group Posts in Chicago, Detroit

Dean F. Genzlinger and Allen B. Busch have been appointed group representatives for Mutual Benefit H. & A. and United Benefit Life.

Mr. Genzlinger, who joined the company in 1953, has been assigned to Chicago and Mr. Busch to Detroit. Both recently completed a six month group training program at Omaha.

N. Y. State Fund Cuts DBL Rates 10%. Other Companies May Follow

New York State Fund has lowered disability benefit liability rates 10% because of favorable experience, effective July 1. Companies have been discussing a change in rates, but no plans have been made to do so.

The change is based on payroll and the sex of the employee as in the past. Present rates are \$.50 for males and \$.84 for females.

SUPPORT

Last week the vice-president of an important company wrote a letter to The National Underwriter regarding advertising, and among other things said:

"Of course, I realize the value of the service that such publications as yours render the business, and for that reason I feel that we should give you a certain amount of support, which we try to do."

The National Underwriter does not need any "support," has not asked for it, and never will. It is engaged in a necessary and legitimate business enterprise. It is, in fact, operating the largest insurance publishing organization in the world. Its activities extend to every branch of insurance. Advertising is simply one of the business commodities it has to sell.

If an insurance company should buy some bonds from an investment house, would there then be talk of its "supporting" the investment company? Is the insurance company which regularly buys typewriters, office space, letterheads, carbon paper, etc., "supporting" the firms from which these purchases are made?

Certainly not. It is, instead, simply doing business with them. Both the buyer and seller are pleased with and profit by the transactions.

So it is with National Underwriter advertising. We offer it for sale because it has a definite, tangible and known value—not for any other reason. Buy it because it will build prestige and results for you. Buy it because it will help your men in the field to get new agents. Buy it for the good will it can create—the exact value of which cannot be measured, but should never be underestimated. Buy it because you need it; because the leading and most successful companies have found it to be of value and show no indications of changing their opinion regarding it. Buy it as a sound investment in the future of your company.

The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Number 27 of a series.

Contini, Walsh Get Agency Posts in East for Franklin

Franklin Life has appointed John B. Contini Sr. general agent at Atlantic City and David J. Walsh manager at Beverly, Mass.

Mr. Contini has been in insurance since 1932 as an agent, staff manager and manager at Atlantic City for Colonial Life. He has held every office of Atlantic City Assn. of Life Underwriters and presently is secretary of the New Jersey association.

Mr. Walsh formerly was with Boston Mutual Life.

The Frank G. Lotito Lincoln National Life agency, Chicago, has moved

from its old quarters at 120 South La Salle street to new and larger offices at 105 South La Salle.

Hear Schriver at S. F.

A record attendance turned out at San Francisco and Oakland to hear Lester O. Schriver, managing director of National Assn. of Life Underwriters. Mr. Schriver addressed the San Francisco association at a breakfast meeting where the new officers also were installed, and then went across the bay to Oakland to speak before the Oakland-East Bay association.

The new officers installed at San Francisco were George Paldi, president; J. F. Routbort, vice-president, and E. E. Scherf, secretary.

Home Life Writes Group Case on 88,000 Firemen

Home Life will provide group life and hospital-surgical benefits for 88,000 salaried firemen, members of International Assn. of Fire Fighters in 700 locals in U. S. and Canada, and hospital-surgical protection for dependents, effective July 1.

Group life will be available in units of \$1,000 up to a \$6,000 maximum. Hospital-surgical coverage provides \$14 daily payment for 31 days for hospital room and board; \$280 plus 75% of the excess up to \$1,000 for extra or miscellaneous hospital charges; up to \$250 for surgical on a basis of scheduled payments; and a flat \$140 for maternity cases.

Werber insurance agency, Washington, D. C., is broker and handles all administrative details of the plan.

Chicago Life, Trust Men Elect

Chicago Life Insurance & Trust Council has elected Raymond B. Anthony of Equitable Society as president; vice-president, John W. Heddens, Continental Illinois National Bank & Trust; treasurer, Harry R. Shultz, Mutual of New York; secretary, Thomas L. McDermand, Northern Trust Co.

Indianapolis Life Names Three New General Agents

Indianapolis Life has appointed John F. Kavaney general agent at Columbus and Keith Babcock general agent at Toledo.

Mr. Kavaney started his career in



J. F. Kavaney



Keith Babcock

Seattle and since 1948 has been general agent in Columbus for Equitable of Iowa.

Mr. Babcock has been active in life insurance sales work since 1949 and was an assistant manager in Toledo for John Hancock prior to joining Indianapolis Life.

Edward F. Hall, general agent in Brownsville, Tex., is being advanced to general agent in San Antonio. He will be taking over the agency which was conducted for 33 years by H. Bruce Veazey, who died April 22.

Commonwealth Promotes O. T. Combs, J. H. Noland

Commonwealth Life has advanced O. Travis Combs from district manager at Piqua, O., to regional manager there. He is succeeded at Piqua as district manager by J. Harold Noland.

Mr. Combs joined Commonwealth in 1949 at Pineville, Ky., was advanced to assistant manager there in 1952, to field training consultant in 1954 and to manager at Piqua that same year.

Starting with the company at Lexington, Ky., in 1951, Mr. Noland was made assistant manager there in 1952 and field training consultant last year.

Tribute to Westgate Sets Ohio National Life Record

Ohio National Life agents paid a surprise tribute to Grant Westgate, agency vice-president, on his 25th anniversary with the company this month.

All company records for a single day's production were exceeded, new applications totaling more than \$2,943,000.

Mr. Westgate started with Ohio National as a general agent in 1930, went to the home office the following year, advancing through various positions until becoming agency vice-president four years ago.

General Agents of Pilot

Pilot Life has appointed Robert R. Jones and C. W. Carr general agents



G. W. Carr



Robert R. Jones

at Birmingham and Jacksonville, respectively.

Mr. Jones, in life insurance since 1947, formerly was assistant manager of Prudential. Mr. Carr was manager of Shenandoah Life at Charlotte.

Paid sales of Bankers Life of Iowa for the first five months totalled \$93,403,457, up more than \$1.5 million over the same period last year.

Three nights that saved a life...and a business!

The Prudential Friendly Society was barely a year old when an unforeseen event almost wrecked the company.

A certain Mrs. Grover, who shortly before had been insured by the company for \$500, had suddenly taken ill with pneumonia and was not expected to live.

Both John Dryden, the President and Dr. Ward, the company doctor, realized that a claim of \$500 at this particular time would very likely wreck the infant company.

For 3 days and 3 nights Mrs. Grover hovered between life and death. Finally, a little after

4 a.m. on the 4th day, the crisis passed. The patient survived—pulled through by the skills of her own doctor, assisted by Dr. Ward.

That was 80 years ago. Since that eventful night in 1876, Prudential has grown into an 11 billion dollar company, offering *complete* insurance coverage...

Life Insurance, Annuities, Group Insurance, Group Pensions and the recently added Sickness & Accident Protection.

Prudential is proud of its small part in bringing security and peace of mind to over 31,000,000 Americans and Canadians and their families.

The Prudential

INSURANCE COMPANY OF AMERICA



1875 — Protecting the Family — 1955

Orr Retires as G. A. of Life of Vt.; DeVol Named His Successor

Clifford H. Orr will retire July 1 as general agent of National Life of Vermont in Philadelphia. He will be succeeded by Eugene C. DeVol, who has been associate general agent for 11 years.

Mr. Orr, general agent for 18 years, will open an office in Downingtown, Pa., as an agent of the DeVol agency. He entered the business in 1923 while a senior in Wharton school. He is the



Eugene C. DeVol



Clifford H. Orr

only person who has served as president of National Assn. of Life Underwriters, American Society of CLU, and Life Underwriter Training Council.

Mr. DeVol, who majored in insurance at Wharton school, entered the business at Parkersburg, W. Va., and was with Massachusetts Mutual Life in Philadelphia for nine years before joining National Life of Vermont in 1944. He is nominee for secretary of American Society of CLU. He is former director and regional vice-president of that organization and past president of the Philadelphia and National Life of Vermont CLU chapters.

J. R. McCown to Helm of Nebraska Institute

John R. McCown, assistant secretary of Bankers Life of Nebraska, has been elected president of Insurance Institute of Nebraska. He succeeds Frank P. Hannan, United Benefit Life. The new secretary is Harold A. Munson, assistant underwriting secretary of Guarantee Mutual Life.

Sousley Named General Agent by Ohio State Life

Walter S. Sousley, Ada, O., has been appointed general agent of Hardin, Allen, Putnam, Paulding and Logan counties for Ohio State Life Co.

Mr. Sousley has been in insurance eight years, and is a member of the resolutions committee of National Assn. of Life Underwriters and vice-chairman of district V of Ohio Assn. of Insurance agents.

Provident Life Milestone

Provident Life of North Dakota has passed the \$150 million in force mark. The 33 years from 1916 to 1949 were required to reach the first million in force while that figure was increased 50% in the past six years. The company expects to reach \$200 million in force by 1959 or earlier.

Invests \$500,000 in N. M. Life

An additional \$500,000 has been invested in New Mexico Life by Taos Skies, Inc., a recently-formed New Mexico investment corporation, of which the principal stockholder is Jack Danciger, Fort Worth, Tex., financier.

The stock purchase was announced by Dr. L. G. Rice Jr., president of New Mexico Life, at a board meeting. Elected as additional directors of New Mexico Life, chartered in 1952, were Thurman Cole and E. M. Rogers, both of Fort Worth and associated with Mr. Danciger.

At the board meeting Mr. Danciger said that of more than \$22 million paid in life insurance premiums by New Mexicans in 1954, all but a little in excess of \$200,000 went to out-of-state companies. He said one of the goals of New Mexico Life will be to change this ratio.

J. S. Burleson, for the past year assistant brokerage manager for Occidental Life of California at Houston Branch, has been promoted to brokerage manager there. He entered life insurance in 1953.

Mass. Life Association Names Richard Wagner

The annual meeting of Massachusetts Assn. of Life Underwriters was held last week in Worcester, Mass., with the leadership training school for newly elected local association officers combined in an all day session.

The following officers were elected for 1955-56: Richard F. Wagner, State Mut. Life, Boston, president; M. Clayton Keiser, John Hancock, Springfield, 1st vice-president; Norman E. Ring,

Prudential, New Bedford, 2nd vice-president; Harold P. Cooley, New England Mutual, Boston, reelected treasurer; William A. Flynn, Metropolitan, Lawrence, secretary; and James F. Dwinell Jr., Travelers, Boston, national committeeman.

Chicago Life Cashiers Elect

Life Agency Cashiers of Chicago at the June meeting elected E. June Williams, Lincoln National Life, as president; vice-president, Joseph C. Hoesch, Mutual Benefit; secretary-treasurer, Nancy Bissonnette, Home.

The advertisement features a collection of insurance-related materials from Great-West Life Assurance Company. At the top right is a large spiral-bound book titled "Sales Guide to BUSINESS LIFE INSURANCE FOR REPRESENTATIVES OF THE GREAT-WEST LIFE ASSURANCE COMPANY". To its left are several smaller brochures and forms, including "How to Safeguard the Value of Your Sole Proprietorship", "Safeguard Your Partnership", "How to Safeguard Your Business Against Loss when a Key Man Dies", "The Value of Your Corporation", and "How to Safeguard the Value of Your Corporation". At the bottom right is a "TEST MAN PROPOSAL" form. The Great-West Life Assurance Company logo is prominently displayed in the center, with the text "THE GREAT-WEST LIFE ASSURANCE COMPANY" and "HEAD OFFICE - WINNIPEG, CANADA".

MARKET WISE... MARKET READY

Here is one of Great-West Life's field-proven aids to organized selling—the Sales Guide to Business Life Insurance. This practical and comprehensive approach to Business Life Insurance planning is effectively assisting the sales efforts of Great-West Life's representatives.

The Sales Guide to Business Life Insurance and its related material is part of the extensive range of specialized sales tools provided by the Company for the profit and support of its field force.

THE
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG, CANADA

Insurers Increase Newspaper Ads 28% in 1954

Insurance companies had the second highest percentage gain in national newspaper advertising expenditures among the 23 major classifications in 1954, according to Bureau of Advertising of American Newspaper Publishers Assn.

With a total space investment of \$10,952,000—a 28.6% increase over 1953, newspapers accounted for more than 35% of the insurance industry's total advertising in the regularly measured media. Insurance advertising lineage in the first quarter of 1955 ran 7.5% ahead of last year, according to Media Records.

Breaking into the list of the top 100 national newspaper advertisers for the first time in 1954 are Mutual Benefit in 74th spot with \$1,203,130, and Associated Hospital Service of New York in 98th position with \$926,241. Prudential jumped from 99th to 70th in ranking, with an expenditure of \$1,239,630, an increase of 33.7%, and Institute of Life Insurance is 79th

with \$1,159,511. These are the only insurers in the first 100 newspaper advertisers.

The sharp increase in newspaper insurance advertising is not attributable to any one company, the bureau noted, but represents a trend on the part of all insurers "to wage more aggressive campaigns" for new business.

Warren Bragg, insurance group supervisor, Bureau of Advertising, said the advertising increases "reflect the increased competition for health, accident and hospitalization coverages, the introduction of new types of policies by the life companies, and the expanding promotional efforts of the 'direct writing' companies in the property field."

Recognizing the rapidly changing competitive situation in the property insurance field, the bureau has issued a new presentation, "The Cracker Barrel Days of Salesmanship Are Over," and is enlisting the cooperation of its more than 1,000 member news-signs to help local insurance agents increase the effectiveness of their advertising.

Union Bankers of Dallas has been licensed in Delaware, Florida, New Mexico and Utah.

Insurer-Hospital Entrance Plan at Chicago Updated

Chicago Hospital Council has streamlined rules and procedures for insurers and hospitals to use to get people in the hospital easier. The program was outlined for Chicago hospital administrators at a special meeting by James R. Gersonde, executive secretary, Chicago Hospital Council; C. J. Hassenauer, administrator of Garfield Park Hospital; J. C. Stange, Travelers, and Bruce Gifford of Health Insurance Council.

The program, originating in 1948 under the auspices of Hospital Council and Health Insurance Council, was up-dated because of increased utilization. Mrs. Amy Harris has been named full-time manager of the Insurance Information Service, as the program is now called.

In addition to a more efficient card-file system that tells hospitals what benefits a person may have, allowances also were made for use of the insurance industry HAP-4 certification procedure.

Negotiations developing the revised rules have gone on for a year. They stem from the hospitals' desire for faster assigned benefit payment, more positive guarantees of assigned payment, and need for additional effort to make the program more effective. Insurance company conferees were: B. F. Adams, Provident Life & Accident; George I. Hilliard, Washington National; Walter C. Kelley, New York Life; L. N. Manogg, Connecticut General Life; J. C. Stange, Travelers; L. A. Orsini, Bureau of A&H Underwriters; S. B. Reed, Connecticut General Life. Mr. Gifford, H&A Underwriters Conference, and Mr. Stange.

Filing fee for a new card listing will remain at \$4.50. There will be an additional assessment of \$1 per card to meet deficits in operating costs.

The plan provides for the establishment of a card system in each of the participating hospitals. The card files contain information in the coverage and benefits. Cards are filed with the council office by the participating insurers. The council then has the card duplicated and mailed to the hospitals. At the time of admission to the hospital, a patient wishing to assign his insurance benefits to the hospital indicates this to the admitting clerk. The clerk then checks the card file to ascertain the benefits available. Verification of benefits is done by telephone contact to the person listed on the card. The patient then signs the assignment form and the hospital will, at the time of discharge, send the claim form to the group policyholder or the insurer for payment.

Pittsburgh Women Elect

Claire A. Bachmann, Life of Virginia, has been elected president of Pittsburgh Women in Life Insurance. Mrs. Hazel Witesell, Mutual Benefit Life, Clara M. Dye, Pacific Mutual Life, and Iva M. Smith, Acacia Mutual Life,

were elected vice-president, secretary and treasurer, respectively.

Mrs. Elsi Doyle, only woman trustee of National Assn. of Life Underwriters, said women are equal to handling life insurance jobs and "are more alert to family suffering." Women in the business, now in the minority, are "coming up fast."

Six members were admitted to Women's Quarter Million Dollar Round Table. Five received national quality awards.

Lewis Lemley of the W. L. Lewis agency of Ohio State Life at Columbus, O., and Mrs. Lemley spent a week at New York as guest of the agency, the reward for winning its annual "Sweetheart Contest".



In all walks of life...

more and more men and women of many lands are taking advantage of the benefits of the unique, personalized service of the

SUN LIFE ASSURANCE COMPANY OF CANADA

CANADA (50 OFFICES) • UNITED STATES and HAWAII (55 OFFICES) • GREAT BRITAIN & NORTHERN IRELAND (26 OFFICES) • REPUBLIC OF IRELAND • INDIA (4 OFFICES) • ARGENTINA • REPUBLIC OF THE PHILIPPINES • PUERTO RICO • UNION OF SOUTH AFRICA • SINGAPORE • SOUTHERN RHODESIA • CEYLON • HONG KONG • CUBA • MALAYA • BERMUDA • BRITISH WEST INDIES • DOMINICAN REPUBLIC • NETHERLANDS WEST INDIES • BRITISH HONDURAS • BRITISH GUIANA • MALTA • HAITI



"We don't publish a city directory, stranger, but our Bankers Life Man, here, knows about everybody in town!"

Bankerslifemen Know People

The typical Bankerslifeman may not be a walking city directory like the one pictured here, but he does know people. Not only does he know who they are, but he knows a very great deal about why they react the way they do in given situations.

From his earliest days in his agency office a Bankerslifeman is taught how to find out about people—who they are, what they do, what their family situation is, etc.—because he is taught sound prospecting methods. Then he is taught how to deal with these people—how to help them find satisfactory life insurance solutions to their problems.

Because Bankerslifemen really know people, they are the kind of life underwriters you like to know as friends, fellow workers or competitors.

BANKERS Life COMPANY
DES MOINES, IOWA

LONG TERM BANK LOANS
ARRANGED ON VESTED
RENEWAL CONTRACTS



LIFE AGENTS
GENERAL AGENTS
AND BROKERS

U. C. & G. C. serves the financial needs of those engaged in the Life Insurance Business. Your tax problems may be simplified and savings effected. Correspondence Invited.

UNDERWRITERS CREDIT & GUARANTY CORPORATION

340 Pine Street, San Francisco 4, California
Southern California & Arizona Branch Office
9935 Santa Monica Blvd., Beverly Hills, Calif.

Amalg.
Amalg.
Bankers
Bankers
Ben. Ass.
Central
Chicago
Continental
Country
Federal
Fidelity
Franklin
Globe L.
Great L.
Horace
Jackson
Municipal
Mutual
Mutual
North A.
North A.
Old Rep.
Prudence
Reliance
Rockford
Self Hel.
State Fa.
Sterling
Supreme
United
Victory M.
Washington
Western
Acacia M.
Aetna Li.
American
American
American
Atlanta I.
Bankers,
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Ben. Std.
Berkshire
B. M. A.
Central L.
College L.
Columbian
Columbus
Commercial
Commonw.
& A.
Conn. Gen.
Conn. Mu.
Credit Li.
Detroit M.
Equitable
Equitable,
Expressme
Farmers I.
Federal L.
Fidelity I.

'54 New Business, Life in Force Shown for Illinois

All figures are for ordinary unless designated (G) for group or (I) for industrial. New business figures include business revived and increased.

ILLINOIS COMPANIES

	New Business	In Force
	\$	\$
Amalg. Labor Life ..	197,500	163,500
Amalg. L. & H.	3,403,500	3,502,500
Bankers L. & C.	41,895,520	110,167,990
Bankers Mutual	21,577,548	38,390,348
Ben. Assn. R. R. Emp.	3,656,224	17,420,241
Central Standard	1,369,308	5,125,183
Chicago Met. Mut.	7,253,744	35,066,388
Continental	6,782,810	85,459,906
Country Life	1,606,729	252,000
Federal Life	1,806,978	2,630,011
Fidelity Life	1,386,978	4,899,053
Franklin Life	23,903,238	71,454,840
Globe Life	37,574,286	197,452,475
Great Lakes	103,255,667	341,800,509
Horace Mann	81,073,641	625,000,108
Jackson Mutual	1,569,500	5,439,500
Municipal of Amer.	24,644,817	96,765,781
Mutual Lcl. 134 (G)	59,000	7,528,250
Mutual Trust Co.	1,814,715	24,043,728
North Am. Acc.	32,360,659	174,938,032
North Am. Life	2,443,630	38,710,337
Old Rep. Credit	300	1,699,272
Prudence Life	3,516,410	11,464,338
Reliance Mutual	27,000	736,741
Rockford Life	1,754,679	5,997,206
Self Help Mutual	29,000	310,000
State Farm	332,500	1,520,124
Sterling	32,000	135,500
Supreme Liberty	10,236,934	10,236,934
United	573,215	2,061,522
Victory Mut.	213,500	415,500
Washington Nat'l.	1,162,000	31,735,000
Western Mutual	4,797,504	63,608,265
	2,568,920	6,561,844
	542,379	1,157,379
	5,112,846	34,593,733
	189,626	393,590
	19,221,154	22,932,243
	2,042,319	3,434,848
	1,252,377	2,339,687
	2,008,249	545,300
	3,709,017	10,657,188
	15,062,750	741,278
	1,333,803	64,876
	22,706,108	21,163,101
	50,803	43,401,253
	2,553,546	15,022,243
	91,836	93,480,332
	2,116,661	4,879,142
	223,668	3,588,726
	6,055,589	91,700
	2,102,700	10,414,622
	647,000	545,586
	17,687,180	23,545,843
	6,710,177	8,216,391
	18,312,515	4,200,000
	10,744,074	34,134,493
	1,006,238	2,687,449
		6,110,177
		59,509,646
		35,077,496
		5,863,654

OTHER STATE COMPANIES

Acacia Mutual	5,969,684	69,753,220
Aetna Life	15,957,090	173,510,880
American H. & L.	251,988,575	916,331,381
American Mutual	1,187,369	2,281,033
American National	581,623	697,390
American Repub.	1,853,092	14,274,123
American Std.	11,750	115,000
Bankers, Ia.	8,387,597	42,020,610
Bankers, Nebr.	11,949,364	16,570,500
Bankers Nat'l.	6,286,402	38,613,634
Bankers Security	171,822	181,327
Ben. Std.	69,700	458,402
Berkshire	4,059,477	2,023,000
B. M. A.	27,060	23,179,511
Central Life	35,422	1,600,620
College Life	334,881	188,922
Columbian Nat'l.	9,186,112	647,986
Columbus Mutual	214,779,940	124,106,216
Commercial, Mo. (I)	3,658,575	75,690,954
Commonwealth L. & A.	452,350	19,597,221
	82,254	2,637,636
	2,218,204	476,722
	58,238	1,328,485
	2,409,266	654,531
	7,748,629	22,377,647
	2,495,392	30,723,951
	3,698,368	3,374,860
	4,170,889	36,950,985
	2,046,250	8,146,486
	1,958,744	20,465,564
	523,456	2,829,750
	488,677	14,080,692
	25,000	964,751
	23,886,235	1,400,977
	22,539,612	66,500
	27,078,855	23,665,182
	34,984,696	133,981,077
	1,839,307	173,025,043
	603,944	245,361,071
	180,038	1,649,971
	102,844,475	511,245
	107,553,430	176,083
	14,148,613	839,433,439
	437,337	872,996,242
	515,657	149,872,833
	106,148	5,612,584
	217,301	2,299,743
	61,013	1,154,685
		217,301
		111,291

Fidelity Mutual	7,391,513	49,415,959	Kansas City Life	2,874,003	28,771,772	(G)	1,302,391	1,300,46
General Amer.	5,635,300	38,755,700	Lafayette Life	1,710,125	7,492,030		1,039,990	12,715,13
(G)	27,914,809	89,315,889	(G)	38,810	38,753		3,616,248	5,273,085
Girardian	1,629,915	1,684,486	Life of Virginia	3,404,275	14,807,147		3,405,898	30,969,92
Golden State Mut.	1,113,438	4,607,451	(G)	2,689,409	4,315,014		20,962,725	45,527,54
(I)	390,299	2,358,268	Lincoln Mut. Life		115,445		2,949,531	10,741,30
Guarantee Mut.	1,546,151	19,583,917	Lincoln Nat'l. Life	48,339,093	371,032,149	(G)	743,191	893,81
Guarantee Res.	1,067,114	2,459,708	(G)	21,859,467	76,868,039	(I)	14,838,002	21,434,17
Guardian Life.	6,165,217	45,546,787	Loyal Protective	350,485	1,301,196		1,853,090	11,828,27
Home Life	7,966,468	75,803,462	(G)	112,243	243,743	(G)	174,226	320,02
(G)	2,927,205	4,608,921	Luthern Mutual	3,914,218	35,497,771		7,179,636	54,943,84
Homesteaders	135,020	847,243	Mammoth L. & A.	265,500	351,000		6,311,161	50,055,34
Independence L. & A.		2,000	(I)	3,219,466	3,292,889	(I)	21,851,630	271,844,54
Indianapolis Life	3,287,311	42,813,342	Manhattan Life	3,049,232	14,539,681		25,384,937	363,842,55
Inter-Ocean	9,500	406,811	(G)	946,000	1,063,500	(G)	880,149	1,217,05
(I)	902,079	902,079	Mass. Mutual	38,589,362	315,898,984		2,688,621	2,726,35
Jefferson Nat'l.	10,687,403	28,868,347	(G)	19,086,635	52,436,147		509,000	837,90
Jefferson Std.	1,880,431	9,992,097	Metropolitan	203,318,091	2,219,513,795	(C)	38,538	24,12
John Hancock	76,489,772	592,368,820	(G)	99,271,817	1,419,907,518		9,537,924	55,772,77
(G)	29,723,317	350,327,050	(I)	57,850,784	953,071,028	(G)	822,121	2,364,02
(I)	18,479,105	157,979,326	Michigan Life	71,652	414,710			

(CONTINUED ON PAGE 12)

JAMES ROBERTS

became District Manager
within 4 years under
General American Life's
practice of

PROMOTION WITHIN

LSF



Roberts joined the Adam Rosenthal Agency, St. Louis, in 1949, produced \$318,000 business his first year, made the Million Dollar Round Table in 1953. Advancing from within, he qualified for District Manager, and last year moved into the agency management field without having to leave his own community.

For full information about the LSF
Training Program, write to Frank
Vesser, Vice-President.

General American Life has shown a steady growth in insurance in force during the past five years thus providing new management opportunities for its representatives.

GROWTH OF INSURANCE IN FORCE

1954 \$1,824,127,950

1953 \$1,556,268,382

1952 \$1,391,726,532

1951 \$1,261,475,338

1950 \$1,212,849,895



General American Life INSURANCE COMPANY

One of the nation's leading mutual legal reserve companies

St. Louis, Mo.

Their reasons differ but both agree...



WETHERBEE LAMSON, C.L.U., of Lowell, Mass., says —

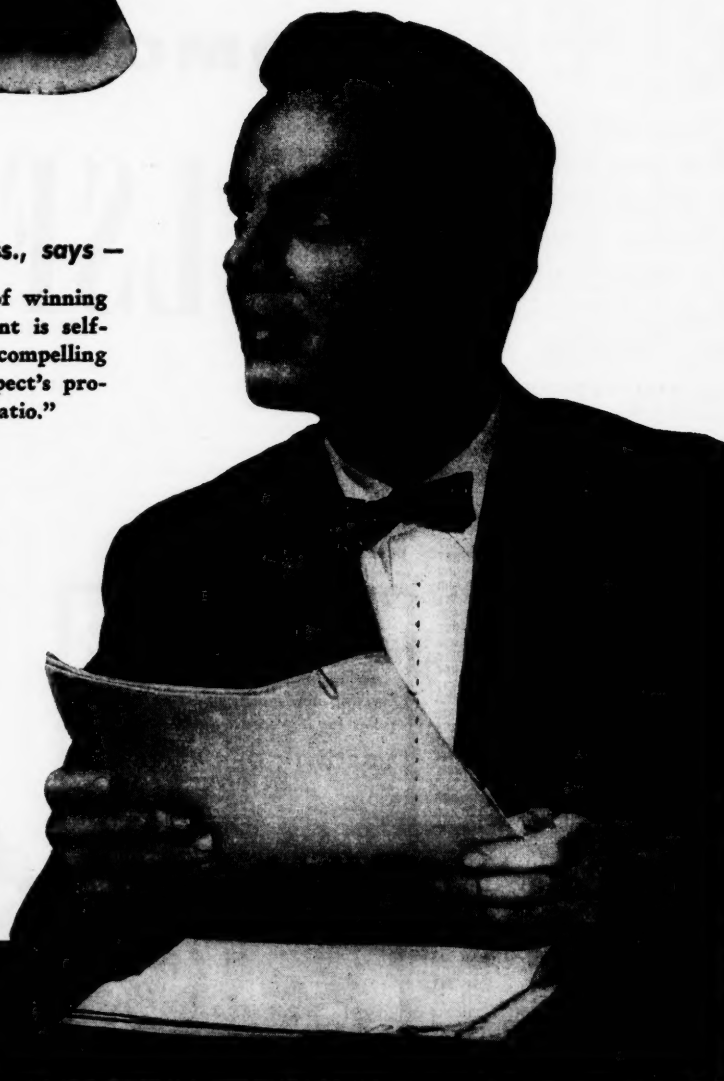
"In the sale of Business Insurance, the importance of winning the favor of the prospect's attorney and accountant is self-evident. Aetna Life's sales presentation—complete, compelling and direct—always makes a big hit with the prospect's professional advisors and helps develop a high closing ratio."

Mr. Lamson attended Dartmouth and has been a representative of Aetna Life in Lowell, Mass. since 1939, being associated with Fred C. Church & Co. He is a director of the Lowell Chamber of Commerce, Boys' Club, and Boy Scouts. He is a graduate of the Home Office School ... has always been among the leading Leaders of the Company ... and was awarded C.L.U. designation in 1951.

WES OLIVER of Seattle, Washington, says —

"An important percentage of my business comes through Business Insurance sales. My success in this area of activity is attributable in large measure to Aetna Life's comprehensive and continuing program of training, both at the Home Office Schools and in the field. It provides the knowledge and know-how to discuss the need for business life insurance in the language of the businessman and to sell it forcefully."

Mr. Oliver has been with the Aetna Life Seattle Agency as a personal producer since 1950. He is a graduate of Oregon State College and was a salesman of business machines before coming into life insurance business. He ranked 26th in volume with the Company last year and is a graduate of Home Office Advanced School.



Aetna Life's Business Insurance Plan gets results in any situation

It's no secret why Aetna Life representatives have achieved such notable success—and such high earnings—in the field of business insurance. The answer is thorough training in flexible, time-tested sales plans designed for any business situation.

Long ago Aetna Life recognized the tremendous potential in business insurance—and developed proven methods to help its representatives capitalize on this important market.

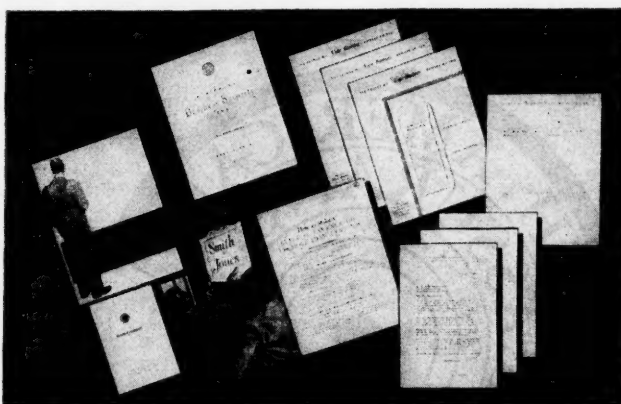
For example, Aetna Life's Business Evaluation Sheet is the heart of a comprehensive presentation. Easy to use effectively, it enables the representative to analyze the life insurance needs of each business prospect and motivate him to action.

Backed by intensive study at the Home Office Advanced School, plus in-the-field training by Supervisors and General Agents, Aetna Life career underwriters move quickly into this lucrative field. Within months they are able to render valuable service—and realize substantial returns for themselves.

The same holds true for other major markets—Family Programming, Estate Analysis and Pension Trusts. Throughout his career every Aetna Life representative has the benefit of organized selling plans that get results in any situation.



THOROUGH HOME OFFICE TRAINING. Intensive, highly practical courses in Aetna Life's Advanced School—together with field training—rapidly equip career underwriters to serve their business insurance prospects—whether for partnership, close corporation, sole proprietorship or key man needs. Instructors are men with years of successful sales experience in the field.



SELLING AIDS THAT TALK THE BUSINESSMAN'S LANGUAGE. Through years of close cooperation between Home Office and representatives in the field, a wide assortment of sales material has been developed. Each piece is carefully written in language that business prospects understand.



Aetna Life Backs Its Salesmen All the Way

The highly successful Business Insurance Plan is only one of many advantages Aetna Life offers:

- Outstanding sales plans for the three other major markets: Family Programming, Estate Analysis, Pension Trust.
- Complete facilities for writing Life, Group, Accident and Health.
- A comprehensive training program in two Home Office Schools and in the field.
- Backing of Home Office experts on Group, Pension Trust, Salary Budget, and other specialized markets.
- The prestige of representing a company which commands wide respect and acceptance.

There's a proven plan for selling every market . . . through the

AETNA LIFE INSURANCE COMPANY

Hartford 15, Connecticut



11

3,236,960	Slovak Gym. Union ..	17,850	2,014,618
497,130	Sons of Norway	164,500	1,105,353
6,408,871	Standard Life Assn. ..	182,500	1,131,793
402,960	Ukrainian Nat'l	373,500	4,951,546
1,082,500	Ukrainian Wkgmen's ..	61,000	1,043,567
98,550	U. & L. Roumanian, ..		
3,376,232	Soc.	5,000	174,750
52,041,716	United Russian Orth. ..		103,409
26,482,320	Unity L. & A.	249,946	1,090,713
11,650,260	Verbovay Fraternal ..	316,500	3,430,877
912,915	Western Bohemian ..	142,489	3,966,992
7,374,464	Western Slavonic	16,084	635,311,574
92,968,238	Woman's Benefit	162,337	9,349,833
802,028	Woodmen Circle	377,500	4,694,663
609,245	W. O. W. Life	1,351,832	15,099,874
6,194,136	Workmen's Benefit ..	394,726	1,522,492
439,330	Workmen's Circle	9,850	535,792
2,073,908	Total '54	61,872,561	1,379,498,598
6,909,522	'55	53,084,636	812,500,923
15,144,100			

L.S.

95,800,270	1,391 Completing SMU
1,362,855	Institute Life Course
633,448	Class number 32, consisting of
901,270	1,391 life agents, will complete its
776,700	basic work at SMU Institute June 24.
576,700	The average age of the class is 30.6
10,669,180	with average time in the business
53,500	prior to attending the basic course 20
1,491,512	months. Average monthly production
733,865	rate prior to basic was \$17,474, and if
1,145,680	the class follows the pattern of pre-
25,320	vious class average, monthly produc-
276,541	tion following basic will be between
301,155	\$25,000 and \$30,000, according to the
1,167,950	institute.
63,600	There was an induction class and
1,845,536	session which began on June 13 end-
569,623	ing on June 18. The class, which is
1,555,520	for new agents, had 23 enrollees,
4,746,717	representing 13 companies in 7 states.
355,384	These are the last classes until the
740,796	next basic class Sept. 12. The insti-
169,437	tute faculty will conduct a one week
8,566,058	seminar June 27-July 2 on program-
6,094,948	ming of advanced underwriting at the
323,948	University of North Carolina.
6,369,440	
2,584,200	
887,218	
1,182,639	
5,504,100	
113,218	
53,226	
46,462,774	
6,391,738	
545,700	
1,508,013	
1,433,311	
726,138	
32,722,126	
6,390,802	
454,810	
2,088,563	
2,443,489	
571,435	
273,980	
258,400	
327,940	
1,955,622	
967,613	
2,354,672	
271,971	
1,733,920	
833,650	
4,953,625	
44,330	
2,374,416	
2,215,250	
799,987	

1,391 Completing SMU Institute Life Course

Class number 32, consisting of 1,391 life agents, will complete its basic work at SMU Institute June 24. The average age of the class is 30.6 with average time in the business prior to attending the basic course 20 months. Average monthly production rate prior to basic was \$17,474, and if the class follows the pattern of previous class average, monthly production following basic will be between \$25,000 and \$30,000, according to the institute.

There was an induction class and session which began on June 13 ending on June 18. The class, which is for new agents, had 23 enrollees, representing 13 companies in 7 states. These are the last classes until the next basic class Sept. 12. The institute faculty will conduct a one week seminar June 27-July 2 on programming of advanced underwriting at the University of North Carolina.

Opens New Fla. Agency

State Mutual Life has established a northern Florida agency at Jacksonville with Gordon A. Roberts as manager. The other Florida agency of the company is in Tampa.

Mr. Roberts is president of Jacksonville Sales Executives Club and past president of Jacksonville Life Underwriters Assn. He is a CLU.



G. A. Roberts

Wis. Group Bill Killed

MADISON, WIS.—Wisconsin life agents were successful in their fight against a controversial bill which had been approved by the Senate but was killed in the assembly. The measure would have permitted any number of employers in various types of industries to set up their own group life plan and purchase group coverage under a trust arrangement.

Present Wisconsin law provides that a firm having fewer than 25 employees may join with another company in the same industry to make up a group large enough to be eligible for a group policy. Similarly, two or more union locals in the same industry can also join in such a plan.

The bill, sponsored by Wisconsin Manufacturers Assn., would have deleted from the present statute the words "in the same industry." Opponents of the bill, who argued against changing the same-industry regulation, included representatives of Wis-

consin Assn. of Life Underwriters, a spokesman for the insurance commissioner, members of the International Union of Life Insurance Agents local, the State American Federation of Labor and the Wisconsin Farm Bureau Federation.

Two Promoted by Cal. Department

Maurice Rouble, supervising examiner in the examination and statement analysis division at Los Angeles, and Lawrence Erickson, assistant to the chief of the compliance and legal division at San Francisco for the California department, have been promoted to deputy commissioners.

Named Consultants on Federal Group

NEW YORK—John D. Moynahan, Metropolitan Life manager at Chicago, and Harold L. Regenstein, agent here of Massachusetts Mutual, have been appointed as consultants in connection with the administration of the federal employees group life plan.

The appointment will not involve their giving up their regular work.

The federal plan is administered by Metropolitan Life for the 160 companies participating in the underwrit-

ing of the plan. Mr. Moynahan is a past president of National Assn. of Life Underwriters. Mr. Regenstein is a member of the NALU group insurance committee and is a long-time qualifier for the Million Dollar Round Table.

Equitable Society has appointed William H. Fowler Jr. cashier at Columbia, S. C. He has been acting cashier there since November. He joined the company in 1938 as a clerk in the cashier's office and later became head teller at Raleigh and assistant cashier at Columbia.

WHO WRITES WHAT?

WE DO!

The Whole Life "20"

A Non-Par Whole Life Policy
(Minimum issue \$20,000)

Rate, age 35, including automatic waiver for disability

\$20.05

Guaranteed "cost if continued" to end of 5th - 10th - 15th or any other year

\$20.05

3% C. S. O. cash value equal to reserve 10th year and after.

No estimates, no gimmicks, everything guaranteed. Simple, isn't it?

★ ★ ★

YES, we issue the Whole Life "20" substandard up to 500% and pay top commissions.

For full details contact the nearest agency of

NORTHWESTERN NATIONAL LIFE OF MINNEAPOLIS

40 years' experience in brokerage service

Eighth in a series

MANAGEMENT CONSULTANTS

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EDITORIAL COMMENT

The Slippery Problem of Financing

In comparison with other major sales industries, life insurance is surprisingly far behind what could be regarded as a generally satisfactory basis for compensating its salesmen during the early years of their development—the critical years when eventual success or failure is hanging in the balance.

What makes this situation all the more curious is that for the salesman who "has what it takes" there is probably no better or more profitable line of selling than life insurance. It is a safe bet that the 5,000 highest-earning life agents make a higher aggregate income than the top 5,000 salesmen in any other line of business whatsoever. Moreover, the diversity of his market gives the successful salesman of life insurance a degree of security that the salesman of advertising or road-grading machinery, for instance, is unlikely to enjoy.

Even some of the obviously successful life agents may wish their incomes were more definite, certain, and dependable but there is not much tendency to complain about the over-all amount. It is extremely unusual for a capable life agent making a substantial income to quit the life insurance business and go into some other line of work so as to make more money.

It is during the development years that the compensation system shows its weaknesses. We're not saying a better or even the best possible compensation system would solve the entire problem of attracting, inducing, and developing the new talent that the business needs if it is to thrive. Compensation alone won't do it—and unfortunately that fact causes a lot of people to conclude that compensation is so small a part of the problem that it is not worth major attention.

The truth seems to be that compensation is a vitally important factor in developing and enlarging a company's corps of successful agents. Moreover, what is good for one company or a whole bunch of companies may be seriously deficient from the viewpoint of your particular company.

Part of the difficulty with compensation stems from the relative newness of the practice of financing new agents. A quarter-century ago it was fairly uncommon. On an organized basis it was virtually non-existent. For the most part it was possible to obtain good potential agents without financing them. It was understood that selling life insurance was a business in which you wouldn't be self-supporting right

from the start but the prospects of substantial commissions made life insurance a better line of work than others that started off with bigger pay.

The absence of a widely accepted financing plan can be laid not only to the concept's newness but to the fact that its administration involves both the home office and the general agent or manager. Moreover, financing plans have had to develop during widely different types of economic environment—the depths of a major depression, recovery, war, and now the greatest and most widespread prosperity this country has ever enjoyed.

Added to those difficulties is the fact that for close to a century the life agent and his sales technique developed in a highly individualistic way. What he sold he got paid for. If he didn't sell enough to eat on, he got out of the business. As a result, astonishingly little is known about why the successful agent is successful, and why the unsuccessful agent, paid on the same commission scale, is a flop.

It would be nice if we knew a lot more about what kind of pattern of activity develops a successful agent. Then you could tell your new agent, "If you follow this program faithfully, we will pay you a comfortable income. We can afford to do it because we know that if you do these things you'll be selling enough business so both you and we will come out O.K."

But unluckily, little is known in any specific way of what constitutes a sure-fire pattern of successful activity. Hence, basing compensation for very long on anything other than production can run into all kinds of trouble—including New York's section 213 expense limitation, for the companies writing the bulk of the business.

The result is that if any financing at all is done, it is bound to mean paying a lot of foredoomed failures, because nobody knows what it is about them that foredooms them. There'd be plenty to pay to the potential successes if any large part of what is now paid to the future failures could be salvaged. Nobody could expect to eliminate all possibility of picking a lemon. But despite the progress that has been made over the years, the proportion of lemons is so high as to impart an unpleasantly sour taste.

So it seems clear that a large part of the compensation problem's slipperiness is that the solution can not be found except as an integral part of the solution to a larger problem. That

problem is: Specifically what kind of activity pattern, personal characteristics or other criteria should a company base its new-agent compensation upon until such time as he can make at least a satisfactory living at the company's regular commission scale?

Since financing can't be tied to production in any large measure, the company must know what else it wants from the new man so it can pay him for those activities and characteristics that are most likely to lead to eventual success—and not pay him for what is known to be detrimental to future success.

Additionally complicating the puzzle is the increasing evidence that the eventual success of a new man does not depend merely on a combination of traits, experience, background, etc., known as aptitude for selling life insurance. A recruit's aptitude is not something specific, like a quart of milk. Rather it usually depends in pretty large measure on the man who is directing him. Agent Jones may do well working for General Agent Smith but poorly if working for General Agent Robinson.

Yet Agent Brown may get along fine under Robinson's direction but would be a hopeless misfit in Smith's organization. Of course some men are bound to succeed no matter what agency they are in and others would fail no matter who they were working for. But probably for most agents the correctness of the match-up of agent and boss are of critical importance.

It is always a temptation to solve a problem—like financing—by itself, only to become discouraged because what seems like an excellent solution fails to work. The problems of financing, of early determination of eventual success, of agent-manager compatibility are so interwoven that a generally acceptable solution for one alone is hardly in the cards. Solving such a multi-pronged puzzle is undeniably difficult but it should not be given up as impossible. After all, considerable progress has been made. An appreciation of the complex and composite nature of the problem, far from discouraging its solution, should be an incentive to put forth the effort and ingenuity required to find the answers.

PERSONAL SIDE OF THE BUSINESS

Chairman **Devereux C. Josephs** of New York Life has been named chairman of a special committee to advise the Ford Foundation on the distribution of \$50 million to assist private colleges and universities to increase faculty salaries. It is the largest grant ever made by a foundation for such a purpose.

John F. McAlevy, counselor of Bureau of A&H Underwriters, and Mrs. McAlevy, are the parents of a daughter, born June 12 at Harkness Pavilion, Columbia-Presbyterian Medical Center, New York City. The McAlevys also have two sons, Peter and Benedict.

President **Ray D. Murphy** of Equitable Society has been elected a director of the Chase Manhattan bank of New York City.

Larry C. Miller, who has been named general agent of Pan-American Life in Louisville, was with the company in Cincinnati before his appointment. He has been with Mutual of New York and Ohio State Life, and is a former assistant professor of commerce at the University of Kentucky.

Robert B. Plessinger and **G. Richard Caughron**, whose managerial appointments in Illinois were reported last week, have been with Prudential for a

total of 28 years. Mr. Plessinger, new manager of the central Illinois agency



R. B. Plessinger



G. R. Caughron

at Peoria, served with the company from 1940 to 1947 rejoining it in 1952. Mr. Caughron, new manager at Champaign, has been with Prudential since 1937.

Byron K. Elliott, executive vice-president of John Hancock, has been awarded an honorary doctor of laws degree by Indiana University, from which he graduated in 1920.

Leland F. Lyons, field vice-president of the greater New York division of New York Life and a St. Lawrence University graduate of 1930, has been elected president of St. Lawrence Alumni Assn.

Vincent V. R. Booth, counsel of New England Mutual Life, has been elected to the board of Boston Better Business Bureau.

Powell B. McHaney, president of General American Life, has been named trades division chairman of the United Fund campaign of greater



Larry C. Miller

NATIONAL UNDERWRITER

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Assistant Editors: Edward F. Cox, John B. Lawrence, Jr. and Eloise West.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Main 1634. Fred Baker, Southeastern Manager.

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St. Louis. He will supervise gift and pledge solicitations from approximately 2,500 St. Louis area firms and their 90,000 employees.

Donald E. Lynch, director of public relations of Mutual Benefit Life, was commencement speaker at the graduation exercises of the Blairstown (N.J.) high school.

B. A. Million, Northwestern Mutual Life general agent at Evansville, Ind., was given an "Alumni Award of Merit" by Millikan University at the school's recent commencement activities to mark his success in his vocation. He was graduated from Millikan in 1913 and has been with Northwestern 40 years.

Philip K. Robinson, executive vice-president of Northwestern Mutual Life, was reelected to the board of American Red Cross at the national convention in Atlantic City.

DEATHS

GEORGE A. BANGS, 87, president emeritus of American United Life, died in Indianapolis. In 1933 he became director of the old United Mutual Life. He later became president of the company and at the time United Mutual merged with American United he was made president of the latter. He retired in 1948.

WILLIAM J. REESE, 56, with the Freeman agency for Penn Mutual Life in Madison, Wis., collapsed and died of a heart attack while playing golf. The first agent in Madison to earn the CLU designation, Mr. Reese was a member of Madison Life Underwriters Assn. for more than 30 years and of the Madison Estate Planning Council. He also was a former general agent for Penn Mutual.

DONALD W. KLEINSCHMIDT, 36, partner in the Franklin Life general agency at Oshkosh, Wis., died at Wisconsin General hospital, Madison, after being hospitalized 10 days. He was LUTC chairman for Fox Valley Life Underwriters Assn.

EDGAR H. GOULD, 67, formerly among the 10 top producers of Indianapolis Life and earlier with Massachusetts Mutual and American Life, died at Battle Creek, Mich. He suffered an attack at his home after mowing his lawn. He had retired in 1952. He was a past president of Battle Creek Life Underwriters Assn.

EDWARD E. CRAMER, 73, an agent in St. Louis for Prudential for 42 years, died in a hospital there of heart disease. He had retired eight years ago.

CHARLES K. MILLS, 73, retired field superintendent of Kentucky Central L. & A., died at his home in Louisville. He was with the company for 35 years before retiring about four years ago.

Mutual Benefit H. & A.

Orders Electronic Computer

Mutual Benefit H. & A. and United Benefit Life have ordered an IBM 705 electronic data processing machine. It is said the system will be the first applied to large scale A&H operations.

The machine will be used initially in phases of premium collection, premium accounting, premium and claim statistics, agency statistics, rate calculations, actuarial computations and file maintenance.

Name Committee Heads of International Assn.

Committee chairmen of International Assn. of A&H Underwriters have been announced by the new president, Clifford E. McDonald, International Fidelity, Dallas.

They are: Public relations, Earle R. Bennett, Provident Life & Accident, Tampa, with E. J. Coffey, Mutual Benefit H. & A., Portland, Ore., as co-chairman; membership, Howard E. Nevenon, Washington National, Los Angeles; education, E. H. Magnuson, Federal Life & Casualty, Battle Creek; legislation, Frank I. Busbee, Monarch Life, Washington, D. C.; publicity, Robert W. Osler, Rough Notes Co., Indianapolis; magazine, Charles B. Stumpf, Illinois Mutual Casualty, Madison, Wis.; Leading Producers Round Table, Oakley Baskin, Mutual Benefit H. & A., Buffalo; cooperation with NALU, R. L. McMillon, Business Men's Assurance, Abilene; sustaining membership, Roy E. Davis, Illinois Mutual Casualty, Peoria; memorials, Sig Bjornson, Bjornson & Associates, Moorhead, Minn.

Continental American Names Swain in D. C.

Continental American Life has appointed Don W. Swain general agent in Washington, D. C.

Mr. Swain was with Acacia Mutual for 18 years and has been associate manager in its home office agency in Washington. He has been in life insurance since 1933 and is a member of professional organizations.

Ray Godine, with Continental American Life since 1948, will continue as manager in Washington.

N. Y. Life Wins Award

Occupational Health Institute, New York City, has awarded a certificate of health maintenance to the medical department of New York Life for providing employees with the "best kind of constructive health service in complying with the standards established by Industrial Medical Assn."

Dr. Frank A. Calderone, industrial medical consultant and a regional consultant of the institute, presented the certificate to Charles W. V. Meares, vice-president in charge of personnel.

Dr. Gerald D. Dorman is medical director of the company's medical welfare department and Dr. Denis O'Leary is assistant.

Close Corporations ARE WIDE OPEN FOR TROUBLE



UNLESS



Occidental Life

INSURANCE COMPANY OF CALIFORNIA

HOME OFFICE • LOS ANGELES

W. B. STANNARD, Vice President

"WE PAY AGENTS LIFETIME RENEWALS...THEY LAST AS LONG AS YOU DO"

Away, we say,

with mumbo jumbo

in business insurance

selling! For instance, this illustrated booklet takes just three minutes to cite, chapter and verse, the problems close corporations must face—and more important—to suggest the sensible solution. With equally explicit supporting material it makes another crystal-clear visual sales kit for Occidental agents and brokers.

Now, for children of any age, a new Low Rate All Life Participating Plan

MINIMUM \$10,000—ANNUAL DIVIDENDS

You can sell this new Confederation Life PARTICIPATING policy, for children from date of their birth. It is a standard All Life Policy—at desirable LOW RATE. Parents Death and Disability Waiver benefit, at attractive rates, is optional.

Examples—\$10,000 Policies

Age	Premium	Average Dividend for 1st 10 years*	Age	Premium	Average Dividend for 1st 10 years*
0	\$110.30	\$24.93	9	\$122.60	\$26.43
3	112.10	25.68	12	129.90	26.83
6	116.60	26.06	15	138.30	27.24

*Based on current scale

HEAD OFFICE: TORONTO, CANADA

ESTABLISHED 1871

Offices in
 Detroit Lansing Canton
 Flint Midland Cincinnati
 Grand Rapids Pontiac Cleveland
 Philadelphia

Confederation Life

ASSOCIATION

HEAD OFFICE: TORONTO, CANADA, ESTABLISHED 1871



WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

RESPONSIBLE POSITION FOR EXPERIENCED CLAIM MAN

A man with experience and ability in life-accident-health claim work may find the opportunity to better his situation (which, probably, is already good) with an established Life-Accident-Health company.

To meet the requirements, this man will be about 35 years of age and will have a good educational background (law graduate desirable but not essential). He will have a number of years of experience in Home Office or Home Office and Field operations—including supervision of claim personnel.

The salary will be attractive even though he has

earned substantial recognition in his present connection. He will be employed by a progressive company which has been doing business since before the turn of the century and which operates on a national scale. He will have the opportunity to enroll in an excellent group insurance program and one of the best retirement plans to be found in any company.

If you feel qualified we would like to hear from you. Give full details in your first letter, which will be held in strict confidence. All correspondence will be acknowledged, and personal interviews will be arranged with the best qualified men. Write to:

BOX F-31

THE NATIONAL UNDERWRITER

175 W. Jackson Blvd.

Chicago 4, Ill.

WANTED: Regional Life Sales Supervisors

Girardian Insurance Company of Dallas, Texas, one of the fastest growing companies in America, is now expanding its life division. The company is licensed in 37 states, Washington, D. C., Alaska and Hawaii.

We need experienced, qualified life agency men to work as regional sales supervisors. If you are selected, you will probably be assigned to a territory of two or three states, preferably in an area in which you now reside or with which you are thoroughly familiar.

You must have supervisory ability and be able to put general agencies under contract and keep them productive. You'll be paid a straight salary commensurate with your ability to produce.

If you qualify, take advantage of this exceptional opportunity. Write to us at once. All replies will be kept confidential. Send full details, including all previous business experience and personal history, plus a recent picture to:

S. J. Gilbert
Executive Vice President and Agency Director
Girardian Insurance Company
1307 Pacific Avenue
Dallas 1, Texas

Money Unlimited

A guaranteed top salary plus a liberal bonus makes the sky the limit for what you can earn developing a new Chicago agency for us. We will pay all your expenses, help you to train new men—and finance them.

To qualify, you should be between 35 and 45, have had at least five years experience as an agency manager, or assistant manager, and know the Chicago area market. You will have complete charge of developing a new agency, using one of the fastest selling package plans in the country.

We are one of the leading Life and Accident and Health companies in the Midwest, more than 50 years old, with a large percentage of our business produced in Chicago. All replies confidential—and all of our representatives know of this ad. Write giving full details to Box F-71, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Boston General Agents Elect Cobb President

Winslow S. Cobb Jr., Connecticut Mutual Life, Boston, was elected president of General Agents and Life Managers Assn. at the annual meeting and all day outing at Marblehead Neck, Mass.

Other officers elected were James M. Voss, Union Mutual, vice-president; Henry M. Faser Jr., Penn Mutual, secretary, and Howard J. Stagg, III, Connecticut General, treasurer.

Tennessee Valley Life has declared a 10% stock dividend on capital of \$178,357. The company intends to enter several states in 1955, particularly Mississippi, North Carolina, Arkansas, Kentucky and Missouri.

GENERAL LIFE AGENTS—

High
Commission
Contract

Available to men with good record and proven ability.

Strong Company—licensed in 26 states. Popular and attractive life and A & H policy contracts.

New territories open in several states. All inquiries treated confidentially.

... write, giving complete information to Box F-59, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

SUPERVISOR WANTED

C. B. Stumpf & Associates, Inc.—Wisconsin General Agents for an exclusive accident and health writing company needs a man between the ages of 27 and 32. Good salary—expenses—bonus—disability, hospital and surgical coverage—opportunity to buy stock and become associate—to one who can qualify and has desire to work. Write C. B. STUMPF, 1 West Main Street, Madison, Wisconsin.

ACTUARIAL OPPORTUNITY

Strong, medium sized eastern company has opening for a man who has Associateship standing in the Actuarial Society or who has passed three or more parts of the examinations. This is a splendid opportunity for a student to broaden his experience. His responsibilities will not be confined to one department and possibilities of advancement are excellent. Present standing and business experience will be given appropriate recognition.

Send replies with outline of experience and personal information to:

Box F-56
The National Underwriter Co.
175 W. Jackson Blvd., Chicago 4, Ill.

HOME OFFICE SUPERVISOR

A progressive Eastern Life Insurance Company has an attractive opening for a Field Supervisor with Life and Accident & Health training.

Must know field problems, able to recruit and inspire men.

Opportunity to grow into own General Agency.

Salary and Expenses.

If you are looking for a better future, this is it. Write, giving complete background and experience to Box F-58, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

Interested in Home Office Sales Promotion and Training. Seven years management experience, with complete knowledge of Business and Tax Insurance. Age 46. Presently studying C.L.U., and all management courses completed. Excellent record of production and fully capable of taking over entire department. Address F-63, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Superintendent of Life Insurance Agents

New life insurance company now being formed with capital and surplus of \$500,000. Home office to be in Joplin, Mo. Excellent opportunity for good personal producer who has proven ability to recruit and train agents. Remuneration open. When replying give complete business and educational background, present annual income, age, marital status and other pertinent information. Replies will be held in strict confidence.

WILLIAM R. THURSTON
WILLIAM R. THURSTON & ASSOCIATES
BOX 198, JOPLIN, MO.

Elect Wray, Hear Kail at Cincinnati

Time control makes the difference in production results between men of similar capabilities, H. H. Kail, general agent for Connecticut Mutual at Cleveland, told the annual election meeting of Cincinnati Life Underwriters Association.



W. W. Wray

W. W. Wray, John Hancock general agent, was elected president to succeed R. C. Sanford, Phoenix Mutual. Robert F. Ives, Massachusetts Mutual, is the new vice-president; W. R. Digman, Provident L. & A., secretary, and Grant Kien, Union Central, treasurer. Mr. Sanford becomes state committeeman. Mr. Wray entered the business with John Hancock in 1935 at Huntington, W. Va., advancing to various posts until going to the home office in 1950 as agency assistant. Later that year he

went to Cincinnati. He is a past president of Cincinnati and West Virginia CLU chapters.

Mr. Kail outlined what he termed distinguishing characteristics of successful men. They have sound and scientific prospecting methods, analyze their market to see whether the prospect is the type on whom they should call, whether he is the type they can sell and whether he is the most profitable type for them. They plan their work and have the ability to maintain a constant flow of prospects, to find and fix problems, have the ability and will to close, and have a competitive spirit and a desire to win. They are enthusiastic, see people and develop themselves.

Central, Ohio, Hits Highs

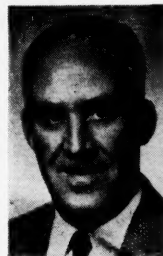
Central Assurance of Ohio held its annual meeting at Columbus, reporting new life business for the fiscal year ending May 31 of \$3,452,452. Disability premiums amounted to \$213,140. Both figures represent substantial increases over the past year.

Dale Thornburg, Columbus, was recognized as the leading producer for the 12-month period.

Turner to Bankers, Iowa, as Manager in Phoenix

Garvin L. Turner has joined Bankers Life of Iowa as manager at Phoenix. He succeeds R. K. Tubman, resigned.

Mr. Turner entered insurance in 1931 as an agent for Equitable of Iowa at Chicago. He moved to Phoenix in 1935, joining Equitable Society, subsequently serving that company as district manager for northern Arizona and then as field supervisor for the entire state.



G. L. Turner

A&H, and M. F. Ryan, vice-president, will conduct a breakfast session at which H. R. Buckman, Milwaukee general agent and leading personal producer, will speak on "Why CLU". President James H. Daggett will address the banquet.

Legion Post 385 of Metropolitan Life and Post 503 of New York Life sponsored annual memorial day ceremonies at noon May 27 in Madison Square Park, New York City. Lt. Gen. Blackshear Bryan, superintendent of West Point, spoke.

Old Line to Fete Leaders

Agents of Old Line Life with qualifying production will be guests of the company at the annual convention at a summer resort near Bailey's Harbor, Wis., June 26-29.

Paul A. Parker, agency director, will preside over a session devoted to life matters; F. S. Talbot, director of field education, will lead a discussion on

THE LEADERS WILL CELEBRATE

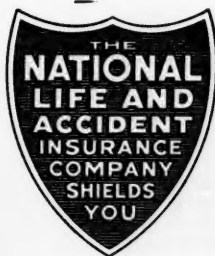
National Life's leading Field Men, — several hundred of them, — will qualify on their 1955 records to attend four regional Leaders' Meetings to be held next April, in the following inviting locations:

Hotel Westward Ho, Phoenix

Hotel Royal York, Toronto

Hotel Roosevelt, New Orleans

Hotel Daytona Plaza, Daytona Beach



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE



Quality

in Pacific Mutual's
RECOGNITIONS

enhances the progressive effectiveness of Roger Coffin, Colorado Springs, as leading Pacific Mutual Representative in the Rocky Mountain area. Consistently a high-ranking Big Tree Leaders Club qualifier, he annually attends inspirational Top Star Conferences, in addition to periodic company conventions.

Quality is the dominant objective in all Pacific Mutual field procedures.

Pacific Mutual

LIFE INSURANCE COMPANY

HOME OFFICE: LOS ANGELES, CALIF.



LIFE Since 1868 • ACCIDENT Since 1885
SICKNESS Since 1904 • RETIREMENT PLANS Since 1919
GROUP INSURANCE Since 1941

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May Ordinary Sales of \$2,565,000,000 Set Mark for Month

Sales of ordinary life in May were \$2,565,000,000, up 19%, for the largest May ordinary total on record, according to LIAMA.

Group life sales in May amounted to \$440 million, down 26%. These figures represent new groups, not additions under group contracts already in force. May industrial sales totaled \$807 million, up 2%.

Life sales in May totaled \$3,612,000,000, increase 8%. The month's sales brought the aggregate for the first five months of the year to \$17,515,000,000, a 13% rise.

Year-to-date ordinary sales totaled \$12,182,000,000, increase 17%. Group sales amounted to \$2,536,000,000, increase 7%. Industrial sales totaled \$2,797,000,000, up 3%.

The five months' group sales total does not include \$1,925,000,000 added in April to the federal employees group life program through a revision of the original estimate. This program was put on the books last November as \$6,738,000,000 written through 161 life companies.

LIAMA's figures also excluded sales of credit policies.

Life Men Join Chamber of Commerce Committee

WASHINGTON—U. S. Chamber of Commerce has added these life insurance men to its insurance committee: Claris Adams, executive vice-president of American Life Convention, Millard Bartels, vice-president and general counsel of Travelers, Byron K. Elliott, executive vice-president of John Hancock, and Powell B. McHaney, president of General American Life. Part of the committee's membership is replaced each year.

Attempt to Recoup Special DBL Fund Fails

(CONTINUED FROM PAGE 1)

tion to the regular premiums "an extra loading or charge to be used for the sole purpose of paying assessments to replenish the special fund" and also that the assessments for the special fund constituted a "tax". The plaintiffs said they had paid the insurers \$24 million in such loadings or charges for the special fund assessments and during the same period the insurers had paid into the special fund, on the plaintiffs' account, less than \$2 million.

Watters & Donovan of New York City argued the case on behalf of Zurich, Hartford Accident, and Fireman's Fund Indemnity. Townley, Updike, Carter & Rodgers handled the suit for Metropolitan Life, Prudential, John Hancock, Equitable Society, Aetna Life, Lumbermen's Mutual Casualty, Travelers, Home Life of New York, Connecticut General, Employers Mutual Liability, Indemnity of North America, and State Mutual Life. Union Labor Life's case was handled by Mahoney, Spohr & Mahoney. Dreschler & Leff represented the plaintiffs.

Plaintiffs have 20 days in which to file an amended complaint or seek an appeal. As of mid-week they had not reached a decision on what course to take.

Legion Fights Plan to Drop \$10,000 Free GI Coverage

WASHINGTON—The American Legion is opposing the proposal of the select committee of the House armed forces committee to do away with the government's free \$10,000 life indemnity for servicemen. However, T. O. Kraabel, director of the legion's national rehabilitation commission, spoke generally in favor of other principal provisions in the revision bill.

He agreed with the proposed placing of all men in uniform under the social security system and the planned setup in the veterans administration compensation to survivors, including a change under which widows would, for the first time, be paid according to the serviceman's rank and length of service. However, he expressed concern over whether the widows of lower-grade servicemen with children would be paid "adequately and promptly" enough under the "hybrid" compensation plan from the veterans administration and social security.

Chicagoans Elect Huth, Hear Harrold

More than 450 members of Chicago Assn. of Life Underwriters attended the annual meeting there in conjunction with a breakfast sponsored by retiring president Freeman J. Wood, Lincoln National.

Verlin J. Harrold, general agent for Lincoln National at Fort Wayne, urged the agents to sell insurance as the answer to personal problems. He said knowing the product and client are the only important principles of selling. He compared the agent who approaches a prospect without knowing something about his home, family and personal problems to a fisherman who casts a plug without hooks.

He termed a prospect's home life and family as the area "where business lives," and said a knowledge of this area offers a better approach to the sale of a "business package" than one based on statistics and mechanics.

George Huth of Connecticut Mutual was elected president to succeed Mr. Wood. He noted that the Church Federation of Chicago was formulating future plans for building and expansion on a predicted 15-year population increase of 2 to 2½ million in the metropolitan area. He said this means an ever-increasing market for life insurance and urged agents to take advantage of it.

Other officers elected were: Henry W. Persons, Mutual of New York, 1st vice-president; Gerhard C. Krueger, Equitable of Iowa, 2nd vice-president; Dan. A. Kaufman, Northwestern Mutual, treasurer, and A. D. Crow, Lincoln National, national committeeman.

New directors are Raymond B. Anthony, Equitable Society; Sam Hertz, Mutual Benefit Life; William L. McKechney, Northwestern Mutual; Paul N. Miller, Metropolitan; Edwin T. Naff, Washington National; Bert C. Quinly, Connecticut General; Victor W. Rehfeldt, Metropolitan; Robert K. Schott, Phoenix Mutual, and Otis F. Shadel, Prudential.

Mr. Persons presented the president's plaque to Vincent Filippini, chairman of the Council of Field Underwriters.

The association opposed any bills which would completely reopen the sale of United States government life insurance and National Service life insurance to veterans.

REINSURANCE

WE ARE INTERESTED
in any feature of your Accident
& Health Policies that is a sub-
ject for Reinsurance.
A return-mail reply is our
established practice.
We invite your inquiry.

EMPLOYERS REINSURANCE CORPORATION

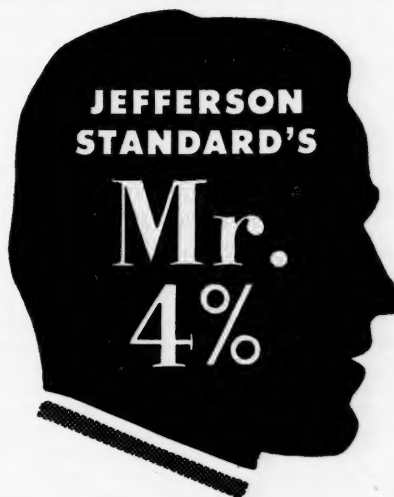
KANSAS CITY, MISSOURI
21 West 10th St.

NEW YORK
107 William St.

CHICAGO
175 W. Jackson

SAN FRANCISCO
114 Sansome

LOS ANGELES
1139 W. 6th



Over \$1.3 Billion
Insurance
in Force

Says:

"Jefferson Standard
policies pay up earlier
than comparable competitive

plans. The 4% interest now being paid on dividend accumulations helps to make this possible. To persons planning a life insurance program, the years of required payments are an important factor—yes, 4% makes a big difference."

Jefferson Standard
LIFE INSURANCE COMPANY
Home Office: Greensboro, N.C.

Survey Shows 2 of 3 Have Health Insurance

(CONTINUED FROM PAGE 1)

6.1%—more than three times as fast as population growth. The unduplicated number with surgical expense protection at the end of 1954 was 85,890,000.

Regular medical expense protection grew at the even more rapid rate of 10.7%—more than six times the rate of population growth—and the unduplicated number covered at the end of 1954 was 47,248,000.

These three forms of voluntary health coverage are provided by insurance companies, by Blue Cross-Blue Shield, and by a variety of independent plans.

Some persons, of course, are protected against hospital, surgical, or regular medical expense by more than one policy or subscription contract. The following table brings out the estimated extent of such overlapping:

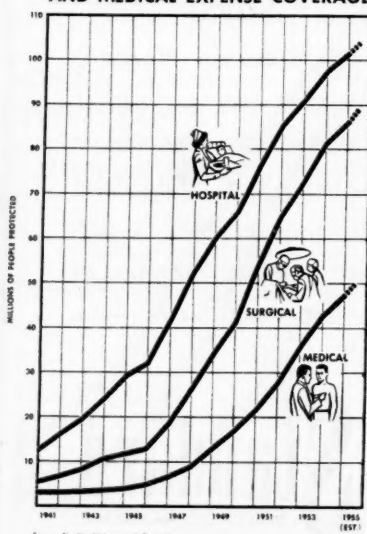
Type of Coverage	Number of Persons Protected (000 omitted)		
Group	Hosp.	Surg.	Med.
Individual	35,090	35,723	15,788
Unadjusted Total	25,338	21,442	6,513
Deduction for Duplication	5,146	4,359	1,570
Net Total	55,282	52,806	20,721
with Insurance-Company Protection	47,484	34,899	24,688
Blue Cross-Blue Shield	5,196	4,801	4,908
Independent Plans	107,962	92,506	50,297
Deduction for Duplication of Persons Protected by More than One type of Insuring Organization	6,469	6,616	3,049
Net Total of Persons Protected	101,493	85,890	47,248

People with hospital, surgical, and regular medical expense protection can also be classified as between employed or *primarily insured* persons and those protected as *dependents*. For hospital expense protection, 44,053,000 persons had primary protection, while 57,440,000 persons (mainly wives and minor children) were covered as dependents. For surgical expense protection, the figures were 36,462,000 and 49,428,000, respectively; and for regular medical protection they were 21,527,000 and 25,721,000. Both primary and dependents' protection is provided by all three types of insuring organization.

The rapid growth of hospital, surgical, and regular medical expense insurance during 1954 was a continuance of spectacular trends that have been in progress for more than a decade. The annals of American business contain few parallels of the record made.

Since 1941, the number of persons with hospital expense protection has

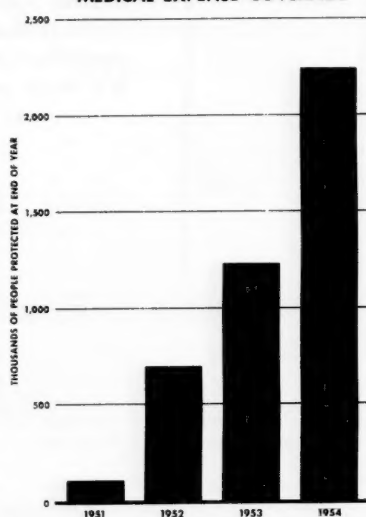
GROWTH OF HOSPITAL, SURGICAL AND MEDICAL EXPENSE COVERAGE



increased more than eightfold. For surgical expense protection, the number of persons with coverage has multiplied over 16 times. Regular medical expense protection was still in an experimental stage for the first few years, and the number covered increased slowly from about three million at the end of 1940 to 3,840,000 at the beginning of 1945. In the 10 succeeding years, however, the number covered has multiplied by more than 12.

During 1954 the number of persons with major medical expense protection nearly doubled—increasing by 83%.

GROWTH OF MAJOR MEDICAL EXPENSE COVERAGE



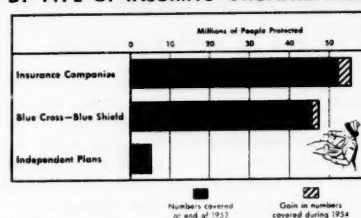
In general, this newest and broadest form of voluntary health insurance is designed to protect against the financial impact of unusually serious and expensive illnesses and injuries.

Ordinarily, major medical pays benefits whether hospitalization is involved or not. The protection starts, broadly speaking, where the customary hospital, surgical, and regular medical expense coverages leave off. However, in some instances, a single comprehensive major medical expense policy is issued that combines major protection with protection roughly equivalent to that usually provided by the three customary types of coverage.

Through 1953, all major medical was issued by insurance companies. However, during 1954 two Blue Cross-Blue Shield plans commenced experimenting with subscription contracts providing benefits in many respects similar to those under the insurance-company policies. An accompanying chart takes account of the protection furnished by insurance companies and by these two plans; but it does not reflect the less similar but nevertheless substantial protection provided by some other insuring organizations. In general, the protection furnished by such other organizations is more in the nature of very liberal hospital, surgical, or regular medical expense coverage of customary type (and it is accordingly included in the figures previously presented for these forms of health insurance).

Of the 2,235,000 persons with major medical expense protection at the end of 1954, 1,929,000 persons were protected on a group basis (including the coverage provided by the two Blue Cross-Blue Shield plans). The remain-

DISTRIBUTION OF HOSPITAL EXPENSE COVERAGE BY TYPE OF INSURING ORGANIZATION



ing 306,000 persons were protected by individual insurance-company policies. Of the total protected, 927,000 had primary coverage while 1,308,000 were protected as dependents.

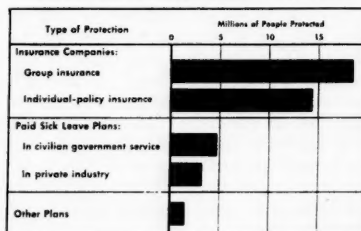
Remarkable as has been the growth of major medical, insurance-company experts widely believe that even more striking development will be seen in the near future. Blue Cross-Blue Shield officials also are giving increasing attention to the possibilities of this new type of protection. Historically, as an accompanying chart illustrates, new forms of health insurance have won public acceptance at an accelerating pace.

The remaining branch of voluntary health insurance—protection against loss of income on account of illness or injury—is the oldest, having been in existence for more than half a century. Such insurance is available only to income producers, as the ill health of dependents obviously does not spell a loss of income for the family.

Many people may tend to think of health insurance as being mainly insurance against hospital, surgical, and other bills for the treatment of ill health. But protection for the family breadwinner against loss of earning capacity can often be of greater importance. In cases where sickness or accident causes loss of income, the amount involved is frequently much more than the hospital and doctor bills which result.

At the end of 1954, an unduplicated total of 38,904,000 workers had loss-of-income protection through the poli-

EXTENT OF LOSS OF INCOME PROTECTION, DECEMBER 31, 1954



cies and plans shown on the above chart. The millions of employees who have some measure of loss-of-income protection through informal wage-continuation practices of their employers, however, are not represented on the chart.

Insurance companies are active in providing loss-of-income protection on both a group and an individual policy basis, as the accompanying chart shows. Paid sick leave plans and other plans—comprising union-administered plans and employee mutual benefit associations—also provide such protection. Blue Cross-Blue Shield and the independent plans mentioned earlier, however, do not offer loss-of-income protection, and hence are omitted from the chart.

The rapid growth in the numbers with voluntary health insurance has been accompanied by a striking in-

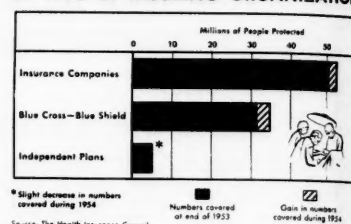
crease in the breadth of their protection. In consequence, the expansion in benefits paid has been even more dramatic than the growth in numbers protected.

During 1954 an aggregate of \$2.1 billion was paid to (or on behalf of) beneficiaries—11% more than in 1953, the previous high. Insurance companies paid \$1,520,000,000 in benefits. Blue Cross-Blue Shield paid \$1,045,000,000, and the independent plans, \$145 million.

Hospital benefits paid by all insuring organizations in 1954 came to \$1,445,000,000, while surgical and other medical benefits totalled \$735 million. Loss-of-income benefits came to \$530 million (insurance companies only).

From time to time, benefit payments of health insurance are compared with aggregate figures on hospital charges, doctor bills, and income loss arising from disability. While such comparisons may be of interest, they tend to imply that the function of health insurance is to meet fully all costs of ill health and to reimburse in full for lost income.

DISTRIBUTION OF SURGICAL EXPENSE COVERAGE BY TYPE OF INSURING ORGANIZATION

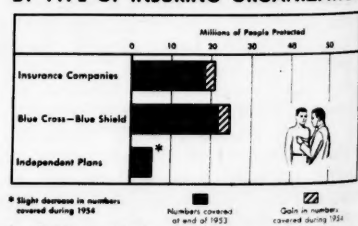


Actually, there are several reasons why the purpose of health insurance should be conceived as a more modest one. For instance, relatively small or regularly recurring items of expense can be better met by family budgeting than through insurance. Again, considerable numbers of the American people do not need health insurance protection—members of the armed forces, for example, who receive needed care directly from the government. Further, insurance is not practical against some health expense items of a quasi-luxury nature—such as the extra cost of hospital care in a private room.

For such reasons the aim of voluntary health insurance is described by the council as being "to provide timely benefits in sufficient amount to prevent ill health and accident from leading to financial hardship. The effectiveness of voluntary health insurance in achieving this goal cannot well be measured by statistics alone."

In addition to the types of voluntary health insurance considered in the council survey, the following important forms of protection may be listed: Personal accident insurance; group accidental death and dismemberment employee group programs; life insurance; liability insurance, and workmen's compensation legislation.

DISTRIBUTION OF MEDICAL EXPENSE COVERAGE BY TYPE OF INSURING ORGANIZATION



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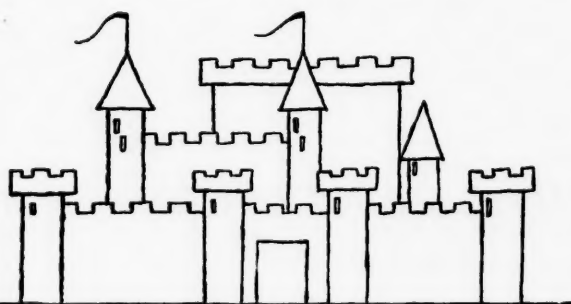
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